INDIVIDUAL RESEARCH PAPER

THE TRILATERAL COMMISSION: PROTOTYPE FOR TRILATERALISM AS A NEW PHASE IN INTERNATIONAL RELATIONS

by

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TABLE OF CONTENTS

	Page
ABSTRACT	ii
INTRODUCTION	1
CHAPTER I	3
PART ONE: THE NEW INTERNATIONAL SYSTEM	3
PART TWO: THE UNITED STATES	7
PART THREE: WESTERN EUROPE	16
PART FOUR: JAPAN	32
FOOTNOTES	48
II THE ELEMENT OF SECURITY	54
PART ONE: SECURITY AND WESTERN EUROPE	57
PART TWO: SECURITY AND JAPAN	69
FOOTNOTES	86
III THE TRILATERAL COMMISSION	91
FOOTNOTES	103
IV CONCLUSIONS AND A PROPOSAL	105
FOOTNOTES	113
BIBLIOGRAPHY	114
APPENDICES	122
A. MEMBERSHIP OF THE TRILATERAL COMMISSION	122
B. STATEMENT OF PURPOSES	128
C. TRILATERAL COMMISSION TASK FORCE REPORTS	131

ABSTRACT

THE TRILATERAL COMMISSION: PROTOTYPE
FOR TRILATERALISM AS A NEW PHASE IN
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PURPOSE: To examine the international relationships of North America, Japan and Western Europe in the world of the seventies, particulary as reflected in the formation of the Trilateral Commission. Specifically, to analyze whether such a "trilateral" approach for seeking common solutions to common problems as that exhibited by the Trilateral Commission, a private organization, would be a beneficial endeavor for the tri-regional governments to undertake.

DISCUSSION: The post-cold war relationships of the U.S., Western Europe and Japan are examined in the light of contemporary international realities. The almost miraculous economic growth of the formerly war-ravaged areas of Western Europe and Japan has resulted in fragile relations between these regions and the United States stemming from economic competitiveness in an arena of economic interdependence, and from a lessening of the role of security as the dominant factor in the relationships. The heavy concentration of U.S. foreign policy efforts towards the adversary triangle of the U.S. the Soviet Union and China has resulted in benign neglect of the

allied triangle of Western Europe, U.S. and Japan. Economic and political frictions threaten to pull apart the allied triangle at a time when international realities and interdependence dictate the need to concentrate the efforts of these economic superpowers towards consolidating relationships and negotiating solutions to mutual political and economic difficulties.

A proposal by David Rockefeller, Chairman of the Board of Chase Manhattan Bank, to "bring the best brains in the world to bear on the problems of the future" resulted in the formation of the Trilateral Commission in the fall of 1973. The Commission formed task forces to develop trilateral solutions to the common problems confronting North America, Western Europe and Japan; these task forces are addressing the problems of the World Monetary System, Trade, International Cooperation, Energy and other contemporary challenges to world order.

Problems of security have been conspicuously absent in the work of the Commission. This has been mainly due to the reluctance of the Japanese to discuss security, and due to the preponderance of economic problems. However, security has been the "tie that binds" these regions with the United States and perceptions of the U.S. lessening its security commitments to these has been the source of a further disquieting mood in the relationships.

A trilateral enterprise of the scope of the Trilateral Commission is unprecedented. A joint and innovative international search for common solutions is quite a different procedure from the usual method in which states work out preferred positions unilaterally and then seek to negotiate acceptable compromises with other states. The initiation of such an effort is a para-political event in itself and may result in temporarily arresting

the recent deterioration in relations. However, being a private organization it lacks the permanence and official capacity to give it official weight, permanence and worldwide credibility.

CONCLUSION:

(1) Western Europe and Japan are where the power is. Outside the United States, only these areas of the non-communist world have the capital and technology to create great economic and military strength.

(2) Alienation by them towards the United States could prevent attempts to meet international economic and security needs, and be destabilizing in the world balance of power.

(3) Present international institutions, such as the U.N., lack the adaptiveness or structure to enhance trilateral cooperation.

(4) North America, Europe and Japan should follow the example of coordination and cooperation exhibited by the Trilateral Commission, and form a Trilateral Advisory Organization on the governmental level to affect a long-term contribution to stability and progress in a changing international system.

INTRODUCTION

My proposition, or thesis, is that it is of current vital interest to the United States that she strengthen ties with Western Europe and Japan, and that a goal of U.S. foreign policy should be to establish new institutions of trilateral cooperation--on a government to government basis--which would be better suited to power relationships in the world of today.

The Trilateral Commission, a group of approximately 180 private citizens from North America, Western Europe and Japan, was formed to foster the links between these 3 regions. The membership of the Commission and its Statement of Purposes[1] are shown as Appendix A and B respectively.

One might understandably ask the question - what is so new about this concept? Isn't it true Western Europe and Japan have been major allies of the U.S. for more than 25 years? Isn't it true the security of these regions has been maintained by the United States for more than 25 years, resulting in an inextricable link in the relationships between them?

The answer to all these is based on the stark reality that things are different in the world today. A new emphasis is required because of a change in status within, and a lessening of disparities among the three regions. It is also due to new global realities which present common problems to all three regions; problems which existing institutions are

not adequately solving. Another contemporary reality is that security factors are separate and distinct from economic factors in the trilateral relationship of these three regions.

One of the most sobering facts of world politics, is that the United States has lost its unquestioned prominence in the world. Two decades ago, because of the situation resulting from World War II, the U.S. was by far the predominant and the most influential partner in the triad. Today we are still the leading country, but economic prosperity has once again returned to our alliance partners, and they are seeking to play a more independent role in international relations.

If either Japan or Western Europe becomes hostile to the U.S., neutral toward the U.S., or substitute other forms of relations for cooperation, the United States could be facing an international situation which might be every bit as ominous as that which prevailed just before the last World War.

In the following pages I will attempt to enunciate and clarify the present day realities affecting the triad which prompted the formation of the Trilateral Commission, discuss Security Considerations of the triad, explain the work of the Trilateral Commission itself, and conclude with proposals for new Trilateral Institutions sponsored by the governments of North America, Western Europe and Japan.

CHAPTER I

PART I

THE NEW INTERNATIONAL SYSTEM

> For much of the cold war, foreign affairs were prominent in the thinking of American statesmen, with security issues dominant. Today, the situation is rather different. The politics of interdependence - largely the consequence of America's economic and social intimacy with Western Europe and Japan - are beginning to overshadow the politics of confrontation with the communist world, and a major aspect of this is the close linkage between economic and political issues.[2]
>
> Zbigniew Brzezenski

The international system today is new. New in the sense of actors with new roles and new in the sense of challenges. Several new features of international life have evolved or have taken on more importance in the past several years:

(1) The communist monolith, which the U.S. deeply feared, did not materialize. It has become fragmented, divided and essentially self contained by hostility among major communist states and by the nationalism of third countries. Some foreign affairs specialists even refer to the seamless web of communist containment as being "anachronistic" today.[3] With the Sino-Soviet split the U.S. no longer faces the close-knit coalition of adversaries that John Foster Dulles once referred to as "international communism".[4] However, at that time following World War II, Soviet/Chinese expansionism was viewed with alarm, and this fear preoccupied our international relations almost exclusively.

(2) The advent of the 70's brought with it the stark realization that the U.S. no longer was pre-eminent in the world. President Nixon alluded to this in a speech in Kansas City in 1971 -

> Twenty five years ago we were number one in the world militarily, with no one who even challenged us, because we had a monopoly of atomic weapons...now 25 years having passed...we see five great economic superpowers: the United States, Western Europe, the Soviet Union, China, and, of course, Japan.[5]

(3) The United States' policy of global containment is being replaced today by detente with the Soviet Union and rapprochment with the Chinese.

(4) In the world of the less developed countries (LDC's), nations have gained both economic strength and political vitality. In the past, while many of these small countries could involve great powers in war, they could not appreciably affect the welfare and economic well-being of the great powers. Today they can.

(5) The world economy is undergoing rapid change. Important new developments in the international economic situation have transpired as the countries of Western Europe and Japan recovered from World War II. Today these countries have become a picture of economic prosperity and greater self sufficiency.

(6) Economic relations and economic policy are competing significantly with security and military policy as most essential elements of foreign policy.

This was the subject of a comment made by U. Elexis Johnson, former Undersecretary of State for Political Affairs in 1972:

> Here /the economic side of diplomacy/, I believe, we face the most intractable problems for the future. I expect that economic considerations may dominate foreign policy over the next two decades, as security concerns have dominated the last two.[6]

This was also a central theme of Murray Weidenbaum's in The Economics of Peacetime Defense[7], in which he believes that future conflicts among nations are going to be resolved primarily through non-military means, such as economic and technological competition within the new emerging framework of the international community.

(7) Interdependence is a reality. During the 60's, world trade grew eight per cent annually while world production grew five per cent annually, thus creating an increasingly integrated global economy. The past year has demonstrated that a dramatic rise in the price of petroleum initiated by some countries can lead directly to famine in other countries.

(8) The United Nations has failed as an institution capable of providing a viable international structure. The problems and challenges of the international system require international cooperation and consultation. The United Nations hasn't provided this framework.

Gerard Smith, North American Chairman of the Trilateral Commission, commented along this line during a recent address to the Council on Foreign Relations in Chicago:

> Ever since it became obvious that the United Nations was not going to fulfill its promise as a universal organization around which a universal structure could be formed people have been thinking about other approaches.[8]

This same feeling was accentuated in the Trilateral Commission's Task Force Report on "The Crisis of International Cooperation" in which it was stated:

> The immediate post-war efforts to make the United Nations the focus for worldwide cooperation foundered on the schism between revolutionary and evolutionary states. The nuclear inhibition has moderated this split - driving the superpowers towards contractual arrangements that ratify their strategic parity. But this management of what has been called the 'central balance' is itself very limited. It is confined to

> the superpowers; it does not end the rivalry between them; it does not of itself create (though it encourages) forms of cooperation which reach out towards other fields and other countries; and it does not touch the problems which the new technologies pose, and will increasingly pose, for all societies, irrespective of their social and political systems.[9]

Henry Owen, in his book, The Next Phase in Foreign Policy,[10] and also Edwin O. Reischauer (former Ambassador to Japan) writing for Harvard Magazine,[11] hold the belief that the United Nations is incapable of solving vital international issues. Reischauer also advances the opinion that the voting mechanism, which gives each country one vote regardless of size, is absurd.[12] Also, in the same article, he derides the effectiveness of the United Nations because nations in the organization who have no sense of global community will not build an institution to act as a decision-making force in the world.[13]

With this brief overview of the new international system as a departure point, I shall now examine some of the present day realities of the three regions of the triad.

I shall endeavor to concentrate on those problems and factors which have an impact on the trilateral relationships of the three regions - those which have created the need for a "trilateral" approach to new challenges.

It will be seen that the above review of principal features of the international system affects each component state of the trilateral grouping.

PART II

UNITED STATES

GENERAL FOREIGN POLICY FACTORS

> The American people are questioning the premises on which foreign and national security policies have been founded since the end of World War II, a questioning brought about not only by the war in Vietnam, but also by diminishing confidence in our ability to influence the course of events in all parts of the globe by growing concern over domestic problems, and by the revived strength and confidence of other countries.[14]
>
> - Henry Owen

The world role of the United States today is different from that at the end of World War II. The U.S. enjoyed a preeminence in the world not only in military might, but also in great economic superiority. This preeminence was characterized by an increasingly activist internationalism.[15] The United States was drawn out of its previous isolationism, and drawn into a leading role in world politics.

After World War II, the cold war and the attendant fear of communist expansionism shaped U.S. international efforts and policies. The U.S. maintained a foreign policy objective of "containment" - originally of Soviet power, later broadened to containment of "Communism".[16] President Truman called for the containment of Stalinism and for the reconstruction of Europe. The United States created and participated in NATO in 1949 as a means of establishing a credible commitment to defend Western Europe against the Soviet Union. With increased focus on the power of the People's

Republic of China (Communist China) in Asia we promoted the Baghdad Pact (later CENTO) and SEATO as a means of completing the ring around the "communists".[17]

The Japanese-United States Security treaty put Japan under the U.S. security umbrella, and also permitted the United States to use facilities and areas in Japan for use by U.S. land, air and naval forces.

As a result of the sustained American effort to prevent the extension of political and territorial control by Communist powers during the past 25 years, Americans have labored to construct a set of commitments which are truly global in scope and interdependent in function (the United States remains committed in varying degrees to the defense of 44 nations). Not only have they served as a major means of projecting American power, they have also been the most prominent means by which the nation has related itself to a vastly expanded role in the international arena.

On the economic side, until the mid-sixties, the U.S. international actions were based on the belief that foreign economic policy is as much foreign policy as it is economic policy. President Eisenhower, in signing the Trade Agreements Expansion Act of 1955 said it would contribute to economic growth throughout the world and thus, "will materially strengthen the defense capabilities of our friends abroad and advance the mutual security of us all".[18] President Kennedy told the Congress in 1962 that its decision on his request for trade expansion authority would, "either mark the beginning of a new chapter in the Alliance of free nations - or a threat to the growth of Western Unity".[19]

President Johnson continued Kennedy's policies, and supported creation of a new international monetary reserve unit, and to help developing countries in order "to demonstrate the basic principle of interdependence

in international policy".[20]

The results of the emphasis on internationalism paid off: in the post-war period, U.S. trade grew faster than any time in U.S. history.

However, in the mid '60's foreign economic policy was being confronted with a disquieting mood. There was a disillusionment with foreign policy in general, and the U.S. world leadership responsibilities in particular. This, of course, stemmed from the strains of the Vietnam war and internal domestic pressures. While the U.S. was wrestling with these internal problems and a concomitant deteriorating position in foreign trade, beginning of inflation, and in 1967 serious unemployment, Western Europe and Japan were characterized by prosperity, balance-of-payments surpluses, strong foreign trade positions, and comparitively low defense costs (with NATO and the American-Japanese security treaty providing their security blanket).

Then we come to the 70's and find economic relations becoming extremely volatile as President Nixon's economic actions in 1971 threatened to jeopardize relations with Japan and cause a trade war with Europe. Washington's quick imposition of an import surcharge, confrontation over textiles, its heavy-handed pressure to force the floating of the YEN, and its restriction of soya bean exports damaged Japanese interests and sensibilities. The Europeans were also partially prejudiced by American actions, but reacted vigorously to what they considered efforts to force them to accept U.S. agricultural exports.

THE NIXON DOCTRINE

The reaction of America to the Vietnam war prompted the Nixon Doctrine. The American people were war-weary, and the perception by other nations of

this new United States policy was one of "retrenchment" by the United States. As one author wrote:

> ...we are following a foreign policy which walks a fine line between retrenchment and engagement, between avoiding new commitments and honoring old ones between speaking softly and carrying a big stick.[21]

The three main elements of the Nixon Doctrine were: 1) The retention of inherited treaty commitments. 2) The reaffirmation of the nuclear guarantee to nonnuclear states. 3) The promise to assist, short of direct introduction of American forces, countries threatened by other forms of aggression.[22] These elements were intended to indicate that, even as the U.S. moves from a period of confrontation to an era of negotiation with adversaries, the interests of allies are not to be sacrificed. The Nixon Doctrine might, therefore, be best described as a cover for what is in fact a more subtle and complex strategy of disengagement.[23] How U.S. allies in Western Europe and Japan perceive this new foreign policy move interjects an element of risk into relations with them. In other words, has the U.S. possibly reduced their confidence in America as pertains to U.S. willingness to fulfill commitments? The possibility seems to exist. The following statement of President Nixon at a press conference in Guam following his Nixon Doctrine proclamation in 1969 certainly must have been read by U.S. allies with interest:

> But so far as our role is concerned, we must avoid the kind of policy that will make countries in Asia so dependent upon us that we are dragged into conflicts such as the one we have in Vietnam...the United States is going to encourage, and has a right to expect, that /Asian Security/ will be increasingly handled by, and the responsibility for it taken by, the Asian nations themselves.[24]

The strains on the American people due to the Vietnam War are reflected

in the Nixon Doctrine, and while the U.S. is a nation with a vast amount of power, this power certainly is perceived by America's allies as being "held-in-check" (in comparison to the U.S. "world policeman" role of the past).

NIXINGER FOREIGN POLICY

With the Nixon Doctrine, President Nixon demonstrated that he had clearly perceived the nature of the changed circumstances in which the United States found herself in the early 70's. He considered his foreign policy decree as a realistic response to worldwide and domestic changes. Foreign policy was truly in his hands. This, and other forms of "executive power" were characteristic of the Nixon years. The extraordinary concentration of foreign policymaking in the White House, particularly in the hands of the President and his (then) Special Assistant (currently Secretary of State) Henry Kissinger, lent itself to an atmosphere of secret diplomacy.[25]

As a result of this modus operandi, several Nixon surprises rippled throughout the international scene - affecting both friends and enemies. With the concentration of efforts centered on United States-Chinese, Soviet relationships, America's partners in Western Europe and Japan were being neglected. Examples were: 1) The failure of the U.S. to cut-in Japan on the shift in policy with China. 2) The failure to consult with the Europeans on diplomatic efforts with the Soviets during the October 1973 Mideast crisis. The Europeans, who are far more dependent of Arab oil than the U.S., were (understandably) concerned with the Middle East situation. But when war erupted there last October, Kissinger flew directly to Moscow without stopping at even one of the capitols of Western Europe.

There were other examples of poor treatment of U.S. allies in the economic area which will be more explicitly identified in Parts III and IV of this chapter.

This exclusive concentration on the adversary relationships without consultation or effective dialogue with "allies" has, as BRZEZENSKI states in the July 1973 issue of Foreign Affairs caused "resentment" of the United States.

> The Administration has been defective in its handling of alliance relationships. Though not isolationist, the Administration has certainly been unilaterist in dealing with problems affecting American-European and American-Japanese relations. As a result, Japan feels isolated and betrayed; resentment of American policies is on the rise in Canada; American relations with Europe have been by and large in a state of drift. The Japanese suspect that the United States is assigning a higher priority to American-Chinese relations than to American-Japanese relations. Europeans are uneasy about America's longer-range intentions in Europe and are baffled by America's willingness to deal directly with the Soviet Union while dragging her feet on such subjects as broader East-West talks or the recognition of the present territorial arrangements...recent monetary difficulties have intensified the political malaise, in part because the United States has relied more on a unilateralistic tactical approach than on the development of a broader and longer-range strategic policy.[26]

The feeling of less-than-ideal relations with allies was also pointed out by James Chace in A World Elsewhere. He essentially is of the same opinion as Brzezenski, but goes one step farther by stating that the steady erosion of U.S. relations with Western Europe and Japan could result in a reduction of America's allies to a position of "client status".[27]

The Nixon-Kissinger team deserves credit for ending the war in Vietnam, the rapprochement with China and the initial phases of detente with the U.S.S.R. However, continued benign neglect of allies could exacerbate

resentment by Western Europe and Japan and possibly force them to "cast about" in new directions in seeking international structures tuned to their problems and desires.

An example of the consequences of "solo diplomacy" and how it is perceived by the alliance partners is a situation which happened during the Arab oil boycott last year. At a Pilgrims Society Dinner in London, Kissinger proposed that the Foreign Ministers of oil - consuming nations put their heads together, to see how they might devise a common approach to the oil problem. When embassies in Washington started to work on the proposal they consulted both the State Department and the Federal Energy Office - both confessed they knew nothing of what Kissinger had in mind. This, of course, being duly reported by embassies to their governments, widespread doubt was created as to how seriously the Kissinger proposal should be taken, so initial momentum for this far reaching proposal failed to materialize. The cynicism coming from the governments of the allies was a direct result of the weakness in "solo" diplomacy.[28] Joseph Kraft, writing for the Washington Post on the foreign policy priorities of Kissinger's, said, in reference to the Kissinger-sponsored Washington Energy Conference:

> ...cooperation with such major oil consumers as Japan, France and even Britian has been sticky. A large part of the reason is that Dr. Kissinger has placed so much more emphasis on detente with Russia than on cooperation with this country's allies.[29]

THE DEVELOPING COUNTRIES

The term "developing countries" generally denotes that part of the world also known as the "less developed countries (LDC's)". The U.S. is finding that many of these countries are important to America. An example

was last year's energy crisis. With only about 30 per cent dependence on imported petroleum, there was a major impact on both supply and prices in the United States when only relatively small proportions of the U.S. petroleum supply were withheld during the Arab-Israeli conflict.

The significance of these LDC's is also being noticed by the U.S. in that groups of them are maneuvering to inhibit America's legal access to strategic sea lanes. The fact that LDC's can be locales for wars affecting the U.S. (which raises the possibility of direct confrontation of superpowers) is acknowledged by consideration of Korea, Vietnam and the Arab-Israeli conflicts.

Their one hundred-plus votes in the United Nations and other international agencies present many challenges to relations on a global scale with the LDC's.

In addition to these and many other economic issues, the threat from the Third World has expanded into the security area; particularly significant in this regard is potential nuclear proliferation. India has attained nuclear capability. Brazil is expected to go nuclear. Israel and Egypt are capable, and may have the capability now. Iran is buying nuclear reactors from France and the U.S., and it is not illogical to assume that other wealthy OPEC countries will search for help and seek nuclear status.

The impact the LDC's have recently made in foreign policy considerations within North America, United States and Japan countries has been recognized by the Trilateral Commission, and is the subject of one of their "Task Force" reports. (Chapter III)

SUMMATION

The following realities of today appear significant when considering

international relations from the U.S. "window":

(1) The preeminence which the U.S. enjoyed over the past 25 years is being challenged both economically and militarily by other countries.

(2) Western Europe and Japan have emerged as economic superpowers.

(3) Economic considerations have become more meaningful in relations between countries. Particularly with U.S. allies.

(4) Lesser developed countries are exerting more independence and more influence.

(5) The U.S. has relied primarily on bilateral relations in foreign policy matters. Multilateral consultation or use of the United Nations has been virtually non-existent.

(6) The Nixon Doctrine and the Nixon-Kissinger type diplomacy although successful in many areas, is being questioned as to its application in future international relations; particularly as regards relations with allies.

(7) The U.S. cannot disregard the realities of the balance-of-power politics amongst the nuclear powers, at the same time she must find better means of cooperation with those within existing alliances.

PART III

WESTERN EUROPE

> Europe's economic strength, political cohesion, and new confidence - the monumental achievements of Western Unity - have radically altered a relationship that was originally shaped in an era of European weakness and American predominance.
>
> - Secretary of State Kissinger[30]

GENERAL OVERVIEW

The countries of Western Europe and North America have, since the end of World War II, enjoyed good relations. This is understandable because of the powerful links among the countries. These forces working for close and cooperative relationships are basically of three kinds. They share to a substantial degree: 1) A social, cultural and religious heritage. 2) A high degree of mutual economic interdependence. 3) Common military and political security needs.

The United States has gone to war twice in this century to affirm its interests in Europe, and since 1945 has continued this interest in the form of enormous financial aid and military commitment. The United States has sought during the past two decades to strengthen Western Europe, and prevent any expansion of Soviet political influence in that region. During this period of European recovery from World War II, America's preeminent role in Europe was approved, by and large, on both sides of the Atlantic. Now the situation is changing. In both Western Europe and America, sentiment for

a reduced U.S. role is growing. Today there appears to be a state of "ambiguous transition" -- the era of unquestioned American leadership is dwindling, but Europe, continuing to speak with several voices, has not yet produced a workable alternative to the dominant American security role.

The perception of the degree and quality of the security provided by the alliance has also varied over the 25 years of NATO. The security threat to which the alliance has been directed has been that of the Soviet Union to Western Europe. Perceptions of the threat have gone through a series of phases in the 25 year period. At times, the Soviet threat has seemed menacing and imminent, at others vague, distant, and in the eyes of some, non-existent.[31] Concern about the Soviet threat to the security of Western Europe and of the United States has repeatedly subsided, only to rise again as a result of some Soviet action such as the invasions of Hungary and of Czechoslovakia.

The Mideast War in 1973, with the concomitant oil embargo, also put a strain on the U.S. - Western European relationship. Far from offering support some of the countries of Western Europe doubted the wisdom of the United States response and certainly they saw their own energy supply interests lying in not alienating the Arab oil producers.

Transatlantic relations today are fragile. Even though support for European unity has been for two decades a constant of American policy, Europeans are far from certain that Washington continues to look favorably on a closely organized European Community.

The enlarged European Community (EC) is now a power center. In 1972 it had a population of 255 million, an annual GNP of $902 billion, and exports to non-EC countries of $74 billion -- placing it first in exports

in the world.[32]

Ambivalance and ambiguity have characterized American feelings the past years about the emerging European Community. Politically, the United States strongly supported European Unification as a defense priority - a way of creating a potential partner in restoring world order. Nevertheless, as Europe's economic strength grew, and the U.S. balance of payments deteriorated, Americans came to view the Community as a commercial rival.

The combination of these and other forces and strains were recognized by the U.S. Administration, and Dr. Kissinger attempted to alleviate the apparent erosion of the relationship by declaring 1973 as "The Year of Europe". The European response was not what the U.S. had hoped for, which affirmed the fact that the Atlantic Partnership was indeed "fragile".

ECONOMIC RELATIONSHIP PROBLEMS

On the economic side, certain devisive elements have caused problems in European-American relations. More recently, controversy over trade, agriculture, investment, the economic burden of defense and international monetary policy has become more serious in tone and has led to frequent confrontation - rather than to negotiation.

These threats of U.S.-European Community disunity tend to overshadow a very important fact of life in the economic relationships of the two areas -- that fact is the substantial degree of interdependence involved. The European Community bought $11.9 billion of goods from the United States in 1972 and exported $11.7 billion worth of goods to the United States. U.S. capital investment in the European countries amounted to $13.6 billion the same year.[33]

After World War II, the United States took the lead in creating economic viability and harmony: The U.S. took a major role in the estab-

lishment of GATT (The General Agreement on Tariffs and Trade); in the days of the Marshall Plan, American leadership insured the creation of stimuli for trade in Europe by initiating the OECD (Organization for Economic Cooperation and Development) which, along with the Kennedy Round (which grew out of the American Trade Expansion Act of 1962), were instrumental in pushing the world's trade barriers back.

For a variety of reasons, the advent of the 70's brought with it a protectionist sentiment in the U.S. There was a disillusionment with foreign policy in general and U.S. world leadership responsibilities, in particular. No doubt, this was in great part due to the strains of the Vietnam War and a general mood of the people to whittle down U.S. international involvement.

U.S. protectionist elements were placated by President Nixon's economic measures in 1971, which marked the end of an era of U.S. foreign economic policy and the beginnings of festering sores on U.S.-Western Europe economic relationships. For the first time since World War II the United States decided to force corrections of imbalances in international trade and payments through unilateral action rather than to attempt solution through multilateral negotiations. These measures, which had a deleterious affect not only on relations with Western Europe, but also with Japan were keyed to President Nixon's new economic policy: no longer would the United States sell gold to foreign nations in exchange for their surplus dollars; instead of being valued in terms of gold, the dollar would "float" in exhange dealings until market forces set its new value in relation to other currencies; reversing its postwar free trade policy, the United States imposed a 10 per cent surcharge on all imports.[34]

Trade issues have also become growing irritants in U.S.-Western Europe relations. Protectionist agricultural policies of the European Community have greatly reduced the American export potential in a rapidly growing European market. Other European trade policies, notably the preferential trade agreements the European Community is negotiating with non-member European and African countries,[35] discriminate against the United States and have become a source of deepening American resentment. On the other hand, U.S. restraints on steel imports and quotas on dairy products have caused talk in Europe about retaliatory measures and a trade war.

Enlargement and solidification of the EC raises the prospect of aggravated trade and fiscal frictions with the U.S. business community. In such an environment, the prospects of an open "trade war" or monetary crisis accompanied by vindictive countermeasures cannot be lightly dismissed. Despite its position in NATO and despite enormous American investments in Europe, the United States is considered a competitive "non-European" power in the eyes of the EC. (American investments in Europe have increased significantly since the Common Market began; in 1958, U.S. direct investment in the EC area was only $1.9 billion; in 1969 it was $9 billion. While European direct investments in the United States do not approach this they nevertheless now stand at more than half the U.S. direct investment in Europe, and the gap is being narrowed.)[36] The experience of some NATO nationals scrambling for Arab favor during the oil embargo of late 1973 and the EC's nearly total dependence on Middle East oil have also injected a complicating host of questions into the "EC -- United States" dialogues.

EUROPEAN UNITY

Another factor closely related to the economic cooperation between the

United States and the EC concerns the EC's inability to speak with a common voice, whether it be on political or economic questions.

Joseph Luns, Secretary General of NATO stated in 1972 -

> We in the Alliance must be realistic enough to see that there is at present in Europe no common political will.[37]

This was also a point made by Gerard C. Smith, North American Chairman of the Trilateral Commission, in a recent address to the Council on Foreign Relations, Chicago, Illinois:

> ...the problem of European disunity is not new; it is not clear that it will be soon remedied. The absence of 'one voice' in Europe that may hamper (trilateral) action has plagued European-American relations for years. As Paul McCracken has written in a recent article: 'The major American complaint...seems to be that it is practically impossible to talk meaningfully to Europe today. If one talks to individual governments, he is told that these are Community matters on which the individual governments cannot have independent positions or discussions. If one goes to the Community, he is told that nothing much can be said because the members haven't yet an agreed position'.[38]

This same theme was carried by Christopher Soames, Vice President of the Commission of the European Communities, speaking before the European Parliament:

> At present, it is difficult for our partners. The European-American partnership - relationship covers an enormous spectrum. Yet on a large range of that spectrum we cannot talk with a European voice. It is difficult for the United States when it does not know to whom it should speak -- and when it does speak to the chairman in office of the EC Council of Ministers, all he can say is 'I take note of what you say and I will report it to the Council of Ministers'.[39]

It appears, at least from the statements of these American and European statesmen, that European Unity has not been achieved. Whether unity can be achieved in the future is yet to be seen. The heretofore - mentioned U.S. economic actions of 1971 and the resulting dollar crisis stimulated increased

EC monetary cooperation, though not enough to provide the Community with the will and decision making authority to deal as a united entity with international monetary reform. Whether the Middle East oil crisis and resulting oil shortages will provide the impetus toward greater unity is a question for the future.

There are signs that the increasing economic equality of Western Europe with the U.S. will create friction in the future unless true cooperation, consultation and negotiation are sought. Gerard Smith put it bluntly:

> If each region seeks only its own apparent good, they can 'cut each other's throats'.[40]

EURO-JAPANESE ECONOMIC RELATIONS

Western Europe and Japan are economic centers of power which are both impacting heavily on the international system.

The possibility that Japan's share of total world exports may reach over 18 per cent in 1985 could pose a serious threat to the industrialised nations of the Atlantic world if it were to result in a percentage decrease in their share of world exports. This is apparently a realization which has caused both parties a certain nervousness.[41] The exchange of investments between the two regions is also beginning to receive more and more attention by both parties,[42] and both sides are nervous about trade matters: the Europeans are nervous that a flood of Japanese imports will disrupt their markets and the Japanese are nervous that the Europeans will put up barriers against their exports.[43]

At this juncture, it appears as if both Japan and Western Europe would benefit by closer relations, particularly as regards mutually beneficial trade relations and economic cooperation.

Because Japan has now, and is expected to have to even a greater extent in the future, the power to disrupt the established pattern of world trade, the conclusion is unavoidable that the United States, Japan and the countries of Western Europe cooperate with other in order to enhance mutually beneficial economic relations among each. However, the present institutions are incapable of affecting this trilateral relationship to the degree required. As Klaus Terfloth wrote in The Atlantic Papers 3:

> To reach these objectives - and on the assumption that they are shared by the Community and Japan - an institutional mechanism is necessary...the 'triangle' of great international trading partners is thus a political possibility, a justifiable position in terms of development, and it would accord to all participants, large or small, among the partners in the international trade and monetary system, and in particular to Japan itself, their due political and economic role.[44]

WESTERN EUROPE AND THE USSR

There are "many actors" on the Eurasian land mass to the east of the Western Europeans. However, the most significant in their view is the Soviet Union. In this regard, the recognition, particularly by the FRG, that it is necessary to come to terms with the Soviet Union before East Germany, Poland or Czechoslovakia, further supports this fact.

The words "normalization" and "status quo" best describe the current Western European-U.S.S.R. relationship. The unanimous acceptance of detente by the Western Europeans, coupled with the Soviet Unions' tacit acceptance of the Common Market and the American presence, as "normal" does not (at the present time) appear ominous.

Abnormal factors which could prove destabilizing in this current status quo situation are no doubt several in number. The following would appear to be the most consequential: 1) A unilateral pull out of U.S. military

forces in Europe. 2) Dissolution of NATO. 3) A "go it alone" security policy by the FRG, resulting in their going nuclear. 4) Economic collapse of Western Europe with a concomitant Communist takeover of Western European governments.

None of the above appear imminent, so at least for the near term, East-West relations will probably be a continuation of the status quo. Much depends, however, on the United States maintaining its presence and commitment to the security of Western Europe. The importance of Europe to the United States notwithstanding, continued U.S. presence and influence in the area will be effected by the U.S.-Western European relationship, which leads to the next topic.

DECLINE IN U.S.-WESTERN EUROPE RELATIONSHIP

During the ten years after the Suez crisis in 1956, the Alliance functioned most effectively. However, the European-American relationship during the last decade has been one of anxiety, tension and ambiguity.

In addition to the problems of conflicting interests, the U.S.-Western Europe link suffered during the last decade from the erosion of neglect. The United States became preoccupied with the reordering of her adversary relationships. The point here is not that these issues in U.S. foreign policy were subordinate in importance to keeping our allies constantly on the "front burner", but that there should have been better communications and consultations with Western Europe on what the U.S. was doing. For example: whether the American public's disenchantment with Asian commitments also implied a withdrawal from Europe; whether detente with the Soviet Union implied a realignment of American interests; whether Kissinger's failure to consult with the Europeans at the start of the Arab

oil embargo, meant the U.S. didn't consider Western Europe's reliance on Mideast oil important. This lack of communications wasn't only one-sided: Europe did not consult effectively with the U.S. on the enlargement of the Community and the definition of the Community's objectives for the 1970's; there was only a minimum of consultation on the FRG's OSTPOLITIK.

The bilateral relations with the Soviet Union which Kissinger actively pursued appeared to the Europeans as giving little priority to multilateral Atlantic relationships. Along with this bilateralism must have come the fear of the Western Europeans that the United States may be the more spectacularly "acrobatic" partner, but the Soviet Union might be the more patient, expanding one!

During the last decade other factors caused problems in U.S.-Western Europe relations. The Western monetary system was in serious disarray. Also, the heretofore-mentioned trade relations between the United States and her principal partners were becoming a source of popular political hostility. There was also increased domestic support in the U.S. for the demands by Senators Mansfield, Symington and Church for a substantial reduction in American forces in Europe.[45]

It was against this background of ambiguous U.S.-Western European relations that the Administration considered they had best give a higher priority to the improvement of relations with its principal allies. The vehicle for this "message" was Dr. Kissinger's "New Atlantic Charter" speech to the Associated Press in New York April 23, 1973, declaring 1973 as "The Year of Europe".[46]

In this address, which was clearly meant to be a major statement of policy,[47] Kissinger recognized that new realities have emerged in the case of Europe:

> The era that was shaped by decisions of a generation ago is ending. The success of those policies has produced new realities that require new approaches.[48]

The new realities Kissinger was referring to were basically: 1) The revival of Western Europe and its success in movement toward economic unification is an established fact. 2) The East-West strategic military balance has shifted from American preponderance to near equality, which is accompanied by the necessity for a new understanding of the requirements of common U.S.-Western European security. 3) The emergence of Japan[49] as a world power center requires they be included, in many fields, when seeking solutions to Atlantic problems. 4) Insuring the supply of energy being an example of a problem requiring new types of cooperative action.[50]

In the same address, Kissinger elucidated what he considered to be current problems in Atlantic relationships:[51] 1) The EC has increasingly stressed its regional personality in economic relations, whereas the United States at the same time must act as a part of, and be responsible for, a wider international trade and monetary system. 2) Collective defense is still organized on the principle of unity and integration, but in radically different strategic conditions,and the full implications of this change have yet to be faced. 3) The United States has global interests and responsibilities, whereas the Western Europeans have regional interests. And although these are not necessarily in conflict, neither are they automatically identical.

In addition to the obvious desire on the part of the United States to reaffirm Atlantic solidarity in general, the more specific motives behind Kissinger's "Year of Europe" address appeared to be: 1) The wish to placate the European allies at a time when the main thrust of American

foreign policy continued to be towards intensified relations with the Soviet Union. 2) The hope of outplaying Senator Mansfield and other critics of U.S. military presence in Europe. 3) Hoping to correct America's serious balance of payments deficit by pressing Europe to pay a larger share of the cost of troop-stationing. 4) The U.S. wanted to play a more active role in the internal discussions of the enlarged European Community. 5) The mention of Japan was meant to placate the Japanese by mentioning their role as being important on the international scene. This was seen by some foreign policy observers as a diplomatic move by Kissinger to make amends to the Japanese for the U.S. not forewarning them of U.S. rapprochement with China.[52]

Much to the disappointment of the United States, Kissinger's proposal for a new Atlantic Charter was given a bad reception by the European Community. There appeared to be four basic reasons why the EC didn't like it. The first was its differentiation between the universal interests of the United States and the regional obligations of Europe, which seemed to imply a priority for American over European interests. The second was a hint of duress implied in the phrase "the political military and economic issues in Atlantic relations are linked by reality". This was a reiteration, from one of the highest U.S. sources, of a general American approach which emphasized that the different aspects of European-American relations were "all one ball of wax", in other words, that Europe must expect to suffer in security terms if it did not make concessions on trade or monetary issues. The third was Kissinger's proposal not for substantive negotiations but for the evolution of a new Atlantic Charter, a statement of principles that would henceforth govern European-American relations. A fourth source of confusion was caused by his suggestion that Japan should be asked to

subscribe to such a charter.[53]

Of the major allied governments only the British expressed mild approval of it. In Japan, the suggestion that she should be asked to subscribe to on Atlantic Charter caused puzzlement and skepticism.[54]

Lack of confidence in America's motives behind the new charter was heightened in Western Europe when only 10 days after Kissinger's proposal was delivered, President Nixon's report on foreign policy was delivered to Congress -

> The Europeans have been pursuing economic regionalism, but they want to preserve American protection in defense and an undiminished American political commitment. This raises a fundamental question: Can the principle of Atlantic unity in defense and security be reconciled with the European Community's increasingly regional economic policies?[55]

U.S.-European Community fragile relations were further intensified by the June 1973 visit of Mr. Brezhnev to Washington. In other circumstances this would not have caused even a European flutter; however, one of the nine bilateral agreements signed during the visit on "The Prevention of Nuclear War" touched a fragile nerve in Europe: Its Fourth Article stated that if at any time Soviet-American relations or those between either of them and a third country appeared to involve the risk of nuclear conflict--

> ...or if relations between countries not party to this Agreement appear to involve the risk of nuclear war between the USA and the USSR or between either party and other countries, the U.S. and the Soviet Union ...shall immediately enter into urgent consultations with each other and make every effort to avert this risk.[56]

This was interpreted in Europe as confirming suspicions that the superpowers would now give first priority to the salvation of their own

skins and, so it was argued (in Paris especially) that this invalidated the basis of the Atlantic Alliance.[57]

The final set of events which changed American and European interests from one of debate on principles to a clash of policy occurred when Syria and Egypt attacked Israel on 6 October, 1973. There was anger in the Federal Republic of Germany at the way in which American NATO bases were used to supply arms to Israel. There was general anger in Paris and London in which they were excluded from the bilateral negotiations between Washington and Moscow on a Middle Eastern Ceasefire; there was also concern at the United States putting its forces on a strategic alert around the world without according its European allies more than a few hours warning or any consultation. This was capped by Dr. Kissinger's telling Congressmen he was "disgusted" with Europe's behavior.[58] When the Council of Ministers of the EC met in the first week of November it not only formalised its divergence from American policy by proclaiming neutrality in the Arab-Israeli dispute, but also refused to stand by the lone dissenter (Dutch), thus disavowing the whole principle of "European Community".

There were some hopes of better U.S.-Western Europe unity as the "Year of Europe" came to an end in 1973. The first of these indications of togetherness was a result of Secretary Kissinger's speech before the Pilgrims of Great Britain on December 12, 1973 in London. Kissinger proposed an energy action group to include the United States, Europe and Japan to meet the challenge of the energy crisis:

> There is no technological problem that the great democracies do not have the capacity to solve together, if they can muster the will and the imagination. The energy crisis of 1973 can become the economic equivalent of the sputnik challenge of 1957. The outcome can be the same. Only this time, the giant step for mankind

> will be one that America and its closest partners take together for the benefit of all mankind.[59]

The EC's response to Kissinger's proposal was one of interest and a desire to participate in the Energy Action Group.

The second glimmer of hope in reconfirming European-U.S. unity was the issuance of the NATO Declaration on Atlantic Relations[60] issued by the 15 member nations of the North Atlantic Treaty Organization in Ottawa, June 19, 1974. The declaration, although basically a reaffirmation of mutual security, contained resolutions on items which were related to previously mentioned "sore-spots" between the U.S. and Europeans; for example, in Article II -

> The allies are convinced that the fulfillment of their common aims requires the maintenance of close consultation and mutual trust...they are firmly resolved to keep each other fully informed and to strengthen the practice of frank and timely consultations by all means which may be appropriate on matters relating to their common interests;

in the same article, economic policies were referred to:

> They wish also to insure that their essential security relationship is supported by harmonious political and economic relations. In particular they will work to remove sources of conflict between their economic policies and to encourage economic cooperation with one another.[61]

SUMMATION

In summation, it appears safe to say that U.S.-Western Europe relations are somewhat ambiguous at the present time.

Questions of trade, monetary problems, the Mid East and its attendant energy crisis, European Unity, conflicting economic perspectives, and generally differing views of self-interest, have caused relations to become fragile.

It remains to be seen whether the Americans and the Western Europeans can develop better means of furthering cooperation, and not just rely upon a "mutual security" declaration to provide the rhetoric of closer association and interdependence.

The words of Leonard B. Tennyson, Director, European Community Information Service, are somewhat ominous -

> ...the period of the United States as the doting and protective parent to a growing European child is finished. The years ahead will be marked by continuing differences as the United States adjusts to the reality of being parent to a nearly mature offspring and as the European Community seeks further to establish its identity.[62]

PART IV

JAPAN

> ...the Japanese are ambivalent about their role in the world. On the one hand they are cautious, having learnt a lesson from the past blunder. But on the other hand, there is a strong psychological urge among the Japanese to play an important role in the world.[63]
>
> - Masataka Kosaka

GENERAL OVERVIEW

One of the world's "miracles" has been the post-World War II success story of Japan. In the past quarter century Japan has grown from a country damaged and defeated by war to the world's third largest economy.[64]

Since the first Economic White Paper was announced in 1947, Japan's economic society has undergone a remarkable transformation. Limited to about $10 billion in fiscal 1950, the GNP surpassed the $200 billion level in fiscal 1970. Per capita income likewise rose from $100 to over $1500 in the same period. Today nearly every Japanese family owns a television set and one out of every four a passenger car.[65]

Not only has this great economic achievement placed Japan in the "super-state" category, but also her relative political stability (which has prevailed since the end of World War II) has been a tremendous tribute to Japan's ability to adapt herself to a democratic political system.

Domestic politics have been remarkably stable since World War II. The same political party, the Liberal-Democratic Party (LDP), has been in power throughout most of the period. It has been called the party of big

business, and businessmen play a leading role in it.

Even though it is said that the Japanese people are not yet fully prepared to accept their new importance in the world as a "superstate", the interdependence being thrust upon them by their innumerable ties to "the world outside" offers them no other feasible option. Being a world trading power, and heavily dependent on outside sources for raw materials, has enmeshed Japan in a truly international role.

Internationally, Japan has played a quiet role and carried a "low profile" in acceptance of their new importance in the world.

Now it appears that because she is being placed center stage, she needs to define for herself what her new role in the world really is -- and what options she has available in fulfilling this role. In 1969, the Japanese Vice Minister for foreign affairs appeared to have grasped this when he said:

> Even where 'power' is primarily economic, once this reaches a certain magnitude, a nation's actions will come to possess political overtones and will produce political effects, even though this may be contrary to its intention. The Japanese people cannot ignore this principle which governs international society and merely seek their own economic development without assuming any political responsibility.[66]

It would be a logical assumption that Japan views her new role on the international scene as a period of adjustment replete with anxiety and ambiguites. As Brzezenski states,

> Japanese Stategy at this stage can perhaps be best summarized as seeking to maximize Japanese options and to diversify Japanese dependencies.[67]

In viewing Japanese relations with other world powers, one sees Japan essentially "smiling in all directions". This is understandable due to her

need for trade and outside resources to survive.

The Japanese-U.S. relationship has throughout the post-war period been a "special" one. The U.S. has had a profound influence on Japan and both regions have benefited. The political and military benefits have been primarily interests of the United States, whereas the business and economic self interest has been more characteristic of the view from Japan. The United States has been Japan's largest trading partner since 1945, and also the largest element in all aspects of Japan's foreign relations.

However, there has been a decline in U.S.-Japanese relations within the last decade which put new strains on the search by Japan for a new world role. In 1971, both President Nixon and American businessmen felt that Japanese exporters were far too aggressive in pushing their products into the American market. To help alleviate this problem the U.S. instituted an import surcharge, and cut back on Japanese textile imports. These moves were followed by the "shock" to Japan over the U.S. rapprochement with China, the cut back on soya bean exports from the U.S., and pressure by the U.S. to force the "floating" of the yen. These moves by the U.S. were shocking blows to Japan, mainly from the standpoint of lack of consultation and collaboration. This feeling was brought forth by Japan's Ambassador to the United States in 1972:

> ...if consultation becomes largely pro forma and cosmetic, I would worry about what the future holds in store.[68]

This was reported to be the strongest language a Japanese ambassador in Washington used since World War II.[69]

Japanese relations with Western Europe have been relatively low-key and business-like. The potential of Western Europe as a continued great

outlet for Japanese products has made the Japanese most eager to further better relations; however, in Western Europe, Japan has met strong resistance in the trade area. Mostly it is protectionist exemplified by restrictive governmental trade regulations and partly due to the diversity of economic and administrative practice in the different countries. As one European writer stated -

> ...there is a need to convince reluctant industry, business and governments in Europe that it is not the intention of the Japanese to cause havoc in European domestic markets, but to establish mutually beneficial trade relations and economic cooperation.[70]

Relations with Russia and China are minimal; however, Japan has been giving more attention to both countries recently.

Ever since Peking assumed the Chinese seat in the United Nations and the U.S. rapprochement with China succeeded, Japan has been paying more attention to her neighbor. It is not an unnatural relationship. Much of Japanese culture, including its art, architecture, religion, even its written language, is rooted in China.[71] At present, Japan is China's largest trading partner. It is interesting to note, however, that Japan exports to Taiwan exceeded those to China by $200 million in 1970.[72] It remains to be seen if Japan can continue to succeed in both markets at once.

Peking is wary of Japan; as one author familiar with this relationship put it -

> Premier Chou En-Lai has expressed considerable fear; and has asserted that since Japan has the power to rearm, it certainly will. Chou has also voiced concern about Japan's alleged designs to regain control of Taiwan, which was a Japanese colony from 1895 to 1945. Fears such as these in Peking, if genuine, could make Sino-Japanese relations very difficult indeed.[73]

Japan-USSR relations are receiving more attention recently, particularly

after the exchange of visits by Tanaka and Brezhnev to Moscow and Tokyo respectively in 1973-74.

One Soviet author recently wrote in International Affairs concerning the 1972 Japan-USSR Tokyo "Peace in Asia" Seminar -

> it is true that many of them /the Japanese/ regard present-day international relations as a field of contest and view such relations through the prism of the 'balance of strength' theory. Still, there are signs of new elements appearing in Japanese diplomacy, which does not want to confine itself to the framework of Japanese-American relations, as it did only a few years ago. These beginnings of change in foreign policy line are based on a number of objective factors connected both with domestic development and with new phenomena in contemporary international affairs.[74]

The prospects for future better relations between Japan and the Soviets appear feasible. There have been Japanese-Soviet discussions since then on territorial issues (the small islands off Northern Japan which Japan took from Russia in 1905 and surrendered in 1945) with economic concessions from Japan. At a February 1972 meeting of the Soviet-Japan economic committee in Tokyo, the Soviet requests were essentially large scale credits for Siberian development.[75]

In turning to the question of Security, it becomes obvious that Japan's desire for an international "low profile" also manifests itself in the area of defense. With the United States taking Japan under the U.S. nuclear umbrella, Japan has been able to concentrate on economic matters while security is being provided by the Americans.

A question raised frequently these days is "when is Japan going to rearm?" And along with this same question comes the follow-on to it: "When is Japan going to have a nuclear weapon?" One can only speculate; however, there is strong political opposition in Japan to rearming in general,

and going nuclear in particular.

The future of this dynamic, creative and prosperous country is not only of great interest to the United States and Western Europe, but to the whole world. If Japan remains peaceful, as it has been unwaveringly since 1945, it can contribute greatly to world stability, the expansion of international trade, and the economic growth of other countries both rich and poor. But if Japan should develop hostilities in the future, she could significantly upset world peace and become as dangerous a nation as she was earlier in this century.

THE "ECONOMIC MIRACLE" AND QUESTIONS FOR THE FUTURE

No other major country has grown so fast in economic terms as Japan during the past two decades. This growth has brought Japan from the privation and poverty of defeat in World War II to unprecedented affluence and the position of the third largest economy in the world. Several factors accounted for this "economic miracle". Some of the important ones follow. The first factor was the Japanese way of approaching their economic problems at the end of World War II. Employers, workers, bankers, technicians and government officials worked together in harmony. They rebuilt Japanese factories with such skill and efficiency that Japanese goods quickly earned a reputation for high quality. Japan's high rate of retained earnings brought rapid investment in new plant, and capacity expanded rapidly. The Japanese were particularly perceptive in discovering, obtaining and adapting foreign technology. Japanese economic management was a fine tuned mix of bold and skillful leadership of business concerns, and an effective relationship of government and business. The scale of Japanese success is seen globally. The Japanese lead the world in ship-

building, in electronic production (radios, cameras and transistorized television sets), motorcycles and a variety of other fields; they are second to the United States in such areas as computers, aluminum and steel.[76]

The second factor was the American role - dollar aid to Japan continued to early 1950, but the most significant help came in ways other than money turnover. The U.S. sponsored Japan in various international organizations, which, because of strong opposition to Japan by protectionist groups in the U.S. and elsewhere, paved the road for Japan's access to world markets.[77]

The third factor was an abundant and well educated labor force who accepted low wages.

A fourth factor was the banking structure which fostered a smooth flow of capital and of forestalling small business failures. They also were adept at protecting the YEN from speculation.

A fifth factor was low defense expenditures, mainly due to being under the security umbrella of the United States. This security paternalism by the United States indirectly stimulated the Japanese economy due to American purchases in Japan during the Korean and Vietnamese wars.

The final factor, which takes on much more significance since the recent Mid-East oil embargo, is access to raw materials. The global post-war development boom opened to the Japanese broad opportunities for access to raw materials. This access to raw materials and Japanese dependence on foreign sources to supply them appears to be the "jugular vein" which supplies the life blood for Japan's continued economic growth. Japanese sources estimate that Japanese dependence on imports of copper is likely to

grow from the present level of approximately 75 percent to over 90 percent by 1975; in lead to nearly 60 percent; in ore from 85 percent to about 90 percent; in coal from under 75 percent to over 85 percent; in natural gas, it is likely to grow from a relatively low level presently to approximately 75 percent, and it is likely to remain at 100 percent for aluminum nickel, uranium and oil.[78]

The current oil crisis has caused Japan to reevaluate not only her economic plans but also her international relations. William Barnds, in a recent article in the The World Today put it this way -

> The oil crisis has reinforced Japan's need to reconsider her international position. She would like to keep her economic and foreign policies separate, but her growing economic role will inevitably involve her in new political turbulence.[79]

Saburo Okita, Chairman of the Japan Economic Research Center, Tokyo, continued this theme in the July issue of Foreign Affairs -

> Oil accounted for 74.9 percent of Japanese primary energy supply in fiscal 1972 of which 99.7 percent was imported ...of this imported oil, 80 percent came from the Middle East-43 percent from Arab oil-exporting countries and 37 percent from Iran alone.[80]

Okita does not see any "energy breakthrough" on the near horizon, but his remarks on the diversification of resource supply is interesting -

> First, the diversification of resource supply is necessary. Regarding oil resources, it is desirable that the present high dependence on Middle East oil should be reduced. Japan will have to promote cooperation with oil-producing countries and regions such as Siberia in the USSR, Alaska in the United States and Indonesia. It is nearly impossible, however, to reduce substantially the dependence on the Middle East because of the distribution of existing oil reserves and development potential.[81]

It is obvious that any discussion of Japan's continued economic success must include a consideration of raw materials - particularly oil.

Not only from the standpoint of availability of oil to keep her industrial base and standard of living thriving, but also the consideration of oil costs. Varying forecasts have been made about how much Japan's payments for oil will increase, but most calculations have indicated they would rise from about $4 billion in 1972 to an estimated $16 billion in 1974.[82]

How Japan can adjust to the international factors involved in obtaining their needed resources has got to be one of the most serious questions confronting the international scene today. The "tilt" to the Arabs during the October 1973 Mid-East crisis, away from the United States is but one of these questions.

One of the outstanding aspects of Japan's economic ascendancy has been the phenomenal growth in exports which has made Japan truly a global trading power.

From a level of $820 million in 1950, Japanese exports more than doubled to $2 billion in 1955. They doubled again in the next five years to $4 billion in 1960, and doubled again to a little over $8 billion in 1965. In 1970 Japanese exports were a little over $19 billion and in 1973 slightly over $28 billion, which was more than 30 times the 1950 figure.[83]

While in 1950 Japan's exports to Southeast Asia accounted for more than 20 percent of her exports and only 15 percent of her imports, it now amounts only to a little more than 10 percent. Japan's trade with the United States is now three times this proportion, and her trade with Western European countries also has recently overtaken it.[84] As previously mentioned, Japan's trade with the United States amounts to 30 percent of the total. However, she has dispersed her trade to a good degree.

The "global" nature of the Japanese economy, means that Japan will suffer to some extent from almost any protectionist measures by any country. Japan is both free from involvement with the outside world and heavily dependent upon it. She has no armed forces to impose free trade by "gunboat diplomacy", so she must depend upon a smooth functioning of the international system for her to stay economically strong. She must associate with the world economy on a friendly, unobtrusive basis.

For Japan to continue her almost unbelievable economic growth, she will have to keep close watch on the international system and become more internationally involved then ever before. The ups and downs of international trade are going to effect Japan significantly. Her ability to handle multilateral problems is questioned by Matasaka Kosaka in 1973 in Adelphi Papers No. 97,

> Problems of the control of international trade have not been taken up seriously as yet. One of the reasons is in the Japanese way of thinking. Somehow, the understanding of the multilateral nature of international relations has been at a low level in Japan. The Japanese tend to regard their country's external relations as if they were a bundle of bilateral relations, which is a more concrete concept, and so easier to grasp. For example, they consider Japan-U.S. relations and Japan-ECC relations separately, and do not pay enough attention to the interaction of the two.[85]

The necessity for Japan and the United States to work together on world trade problems is becoming not only obvious but compelling. They are natural allies in a trade sense, but could "cut each others throats" in a competitive sense.

Effective cooperation and relations between the U.S. and Japan appear more important than ever, which leads me to the next topic. U.S. Japanese relations.

UNITED STATES-JAPANESE RELATIONS: SHOWING SIGNS OF WEAR?

> The cornerstone of Japan's foreign policy - the alliance with the United States - has recently shown signs of wear and tear which might turn out to be disastrous.[86]
>
> - Mataska Kosaka

> American-Japanese ties are more important to the Japanese than to the American, and this the Japanese sense and resent; economically, the relationship now favors the Japanese, and this the Americans increasingly begrudge. The interaction of the two makes for trouble unless major adjustments are made on each side.[87]
>
> - Z. Brzezenski

In assessing the U.S.-Japanese relationship, one must really evaluate several disparities in the relationship. These could be put in the general categories of security, economic and psychological.

Security - In strategic terms, the U.S. Security Treaty is obviously vital for Japan, though less so for the United States. There have been several accusations by Americans of Japan's getting a "free ride" on the back of U.S. military power. Most Japanese have viewed the possibility of more defense "burden sharing" as out of the question.[88] Political tensions and public resentment have put the question of a larger security role for Japan on the "back burner" in foreign relations discussions. The security issue will no doubt be on the agenda of U.S.-Japanese discussions in the future; however, in the near-term the status-quo appears to be the probable situation. (A more detailed discussion of Security will be addressed in Chapter II.)

Economic Relations - The economic issues were discussed previously; however, it would be appropriate to discuss their political effect on U.S.-Japanese relations because economic considerations seem to be effecting

the relationship more than anything today.

Trade policy and related monetary problems are likely to be the most active economic issues between the United States and Japan in the near future. Questions on the value of the Yen, of Japanese textile exports, and of American exports to and investment in Japan have been the central issues. The failure to settle the textile question until October of 1971, and the fact that an interim monetary agreement could not be achieved until December of 1971 suggests the great difficulty of resolving major economic conflicts on other issues quickly.

The Japanese view is that the United States has entered a period of protectionism, and whereas the United States could either produce for herself the finished goods she imports from Japan - or find substitute suppliers, Japan would probably have difficulty finding a trading partner to replace the United States.[89] Americans argue that the Yen has been overvalued in recent years; that Japan is not moving fast enough to free trade and remove restrictions on U.S. investments; and that the industry-government collusion within Japan gives Japanese exports a tremendous competitive advantage over U.S. industry, in both American and other markets.[90]

It is also becoming more evident that economic issues facing the two regions will have to be worked out in a multi-lateral context. Unilateral action taken by one country (as the United States import surcharge, textile embargo, and soya bean exports measures during the past 3 years) makes it more difficult to cooperate effectively on common problems. Also, many economic problems cannot be addressed strictly bilaterally, e.g., trade, monetary, energy, aid to developing areas, and related issues. Masayoshi Ohira, Finance Minister of Japan, called atten-

tion to this "multilateral" need recently:

> No one side can win at the expense of the other in this new and many-sided situation. If the energy crisis has taught us anything, it has demonstrated the delicate interdependence of the total world economy. No one nation or bloc of nations is really self-sufficient any longer.[91]

Psychological - Japan's dependence on the United States for almost a quarter of a century, and its quick rise to a "superstate" have created some "human nature" problems. Namely, a quest for a recognized higher international status and a potential hositility for the United States.

Another psychological factor is the imbalance felt by the Japanese in the Mutual-Security Treaty. Kosaka identifies this in the Adelphi Papers #97 -

> Yet, however, rational it might be in origin, the imbalance remains a serious psychological problem. It is natural for Japan to dream of some miracle formula by which she can become less dependent on the United States.[92]

The persisting psychological desire that Japan should not become subservient to the United States was appreciably challenged by what are commonly referred to as the "Nixon Shocks"!

For Japan, 1971 was a year of multiple shocks. One was economic in nature, the second diplomatic. But both had a definite psychological affect on the Japanese and left a bitter taste in the mouths of the Japanese as regards relations with the United States.[93]

The economic shock evolved around U.S. protectionist measures in the late 60's and early 70's, and Nixon's wrong assumption that Japan was ready to make economic sacrifies in return for the reversion of Okinawa. This misunderstanding was portrayed in the dispute over textiles during that period. The Americans imposed a restraint on trade, mainly to placate

the U.S. textile producers and other American protectionist elements. The trade restraints, culminating in the imposition of a 10 percent import surcharge, were a "slap-in-the-face" to the Japanese who considered that the issue on Okinawa should be considered on its merits and not as a quid-pro-quo. The situation became even more critical in August of 1971, when the United States -- partly in response to a long standing Japanese unwillingness to revalue the YEN -- forced an increase in the dollar price of the YEN. This was coupled with a proposed investment credit that discriminated against all foreign machinery and other capital goods.

The diplomatic shock came even before the textile issue was resolved. This was the way President Nixon's trip to Peking was announced in July of 71. During previous months the American and Japanese governments have been engaged in intense and detailed consultations on the China issue, particularly on United Nations representation.[94] It was a shock for them to learn that, at the same time, and without informing them, President Nixon and Dr. Kissinger were negotiating directly with Peking. This was particularly frustrating to the Japanese leaders, because of frequent press reports prior to Nixon's announcement that the U.S. might "sell out" Japanese interests to improve relations with Peking.[95] (China had been a big political issue in Japan during 1971).

The result in Japan of Nixon's dramatic announcement of his impending trip to China was thus: 1) to create suspicion that the United States would ignore Japanese interests in its desire to normalise relations with Peking. 2) to undercut Prime Minister Sato's argument that he had a personal relationship with President Nixon. 3) to undermine the belief that genuine consultation between the two countries was possible.[96]

Since 1971 relations between the U.S. and Japan have been "fair". Nothing compared to the "Nixon shocks" of 1971 have occurred. One fear is that the U.S. might cut back on agricultural exports.[97] Any suggestion of food supplies being cut back has prompted extreme reaction in Japan. U.S.-Japanese relations were disturbed again in 1973 when President Nixon imposed temporary controls on soybean exports (the Japanese depend on soya for protein).

Much of Japan's present concern reflects its dependence on the U.S. The U.S. continues as Japan's largest trading partner. Bilateral trade totaled about $19 billion in 1973. About 26 percent of Japan's exports went to the U.S. in 1973 and about 24 percent of its imports came from the United States. Japan relies on the U.S. to supply it with foodstuffs worth about $2.6 billion per year.[98]

The final area of major concern in U.S.-Japanese relations pertains to the Mideast situation. Japan imports most of its oil from the Mideast. It is concerned the U.S. might use its military and diplomatic influence to force Japan's adherence to American policies toward the OPEC countries. Since Japan imports nearly 100 percent of its oil it is much more dependent on the oil-producing countries than is America. It has tilted away from any U.S. policies that might antagonize the oil-producers, and Eimei Yamashita, Vice Minister of International Trade and Industry, has publicly stated Japan's reluctance to go along with the U.S. proposal for all industrialized nations to cut back 10 percent on oil imports.[99]

Whether President Fords' visit to Japan in November 1974 will make "amends", as one newspaper put it, is yet to be seen.[100] Prime Minister Tanaka and President Ford left the impression, in a joint communique issued

at the end of Fords' visit, of "a growing spirit of U.S.-Japan cooperation."[101]

Prime Minister Miki also publicly stated his amenities in a Newsweek interview:

> I'm afraid thus far undue attention was paid to military aspects. Henceforth, I'd rather underline economic cooperation. It is essential that food and energy problems be resolved; U.S.-Japan cooperation in this area is indispensable.[102]

SUMMATION

In summation, it appears as if the American-Japanese relationship is a "special relationship" that needs some cooperative adrenalin! Despite their differences in historical and cultural development, Japan and the United States should see each other as economic equals who share a common security bond. The Japanese deserve the recognition and dignity accorded a successful economic superpower, but realize they (at least for the near term) must rely on the American military deterrent.

CHAPTER I

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CHAPTER II

THE ELEMENT OF SECURITY

> Europe's and Japan's security is ultimately based on the state of United States relations with the Soviet Union and with the Arab world; when something goes wrong, they are the first to suffer, both directly and in their bargaining relations with the United States itself.
>
> - Pierre Hassner[1]

INTRODUCTION

Security factors are separate and distinct from economic factors in the Trilateral relationship of North America, Western Europe and Japan. The United States is currently the sine qua non in the triangle.

The previous Chapter focused mainly on the economic and political linkages of the trilateral relationship. However, the real fulcrum for the lever of unity of the three regions since 1945 has been the commitment of the United States, with her superior military might, to the defense of Western Europe (NATO) and Japan (Japanese-American Security Treaty). The several disputes and ill-feelings of recent years notwithstanding, Western Europe and Japan have been able to concentrate their efforts to rebuilding their countries without the need to divert substantial amounts of money or assets to security...the United States took care of that expensive and politically provocative problem for them.

Naturally, the security of the United States itself was perceived as closely tied to the continued independence and stability of Europe and Japan. The threat being the perceived expansionism of the Soviet Union

and China in what has been aptly labeled the "cold war". Security issues were dominant in the conduct of foreign affairs. The main rival of the United States and her allies was the Soviet Union. For a good portion of the past 25 years of American-Soviet hostility, the United States enjoyed overwhelming strategic superiority. This superiority was exploited by the classic example of the Cuban missile crisis.[2]

The situation in the post-Cuba era has been starkingly altered. From the late sixties to the present the Soviet Union has enjoyed strategic parity with the United States. This equality in assured destruction has been accompanied by detente and SALT (Strategic Arms Limitation Talks) arrangements which have resulted in a hiatus from intensified mutual anxieties--but as of this writing has not altered the fundamental reciprocity of non-survivability. The other consideration in military power pertains to conventional forces. The heretofore unchallenged U.S. Naval Force is being credibly challenged by an expanding Soviet Navy. This has certainly caused some raised eyebrows to both Europe and Japan who depend so heavily on the seas for their existence. The strong Soviet conventional forces on the Eurasian land mass - particularly on the borders of West Germany- have been another source of uneasiness to the West Europeans, particularly after the Soviet "invasions" of Hungary and Czechoslavakia. The elements of MBFR (mutual balanced force reductions) in Europe are naturally being watched carefully by America's European allies.

U.S. allies in Europe and Japan recently have no doubt been uncertain about the United States' security commitments. The impact of Vietnam and the domestic political upheavals in the United States might suggest that American society is to some degree turning inward and away from its previous

world role. The U.S. foreign policy and military policy revealed in the Nixon Doctrine and in the change from a 2½ war to a 1½ war strategy could tend to support feelings U.S. allies must hold that American society is leaning in the direction of "retrenchment".

Security has provided the backbone of U.S. relations with Western Europe and Japan, and nuclear weapons have so transformed the nature of security that sudden shifts in the political-security balance are viewed as dangerous to all parties. A complete, sudden cessation of the U.S. Security Commitment to Western Europe and Japan does not appear imminent; however, the domestic pressures in the U.S. to reduce American foreign commitments while insisting the allies do more "burdensharing" will probably increase in the future. This has, and will no doubt continue, to increase tensions in the trilateral relationship.

PART I

SECURITY AND WESTERN EUROPE

> Now, as perhaps never before, there is a need for national leadership that can and will maintain the collective strength of the nations and can make clear to all the interdependence of deterrence and detente. Only thus will NATO continue to be in the next few years what it has been in the past - the most successful alliance for peace the world have ever known.[3]
>
> - General A. J. Goodpaster, USA,
> Supreme Allied Commander Europe., 1973

NATO A SUCCESS

In discussing Europe and Security, one starts with NATO.

The old saying "one cannot argue with success" certainly is appropriate regarding the keystone to the security of Western Europe--the success of the North Atlantic Treaty Organization.

Since the end of World War II, twenty-nine years have passed without war in Europe. It is a notable achievement when one realizes that since the allied military command was activated by General Eisenhower in Paris in April 1951[4] not one square foot of Allied territory has fallen under Soviet domination. Not one NATO nation has found itself forced to yield to military or political pressures from the East.

There is no serious current of opinion in Europe which wishes to alter the structure of NATO, to do away with its integrated command and operational system or to replace an American by a European Supreme Commander. The centrality of the American role in NATO is regarded as essential to European

security. Not even France, which withdrew from NATO, seriously disputes these points.[5]

Hand-in-hand with this long period of peace and security in Europe has been a period of economic prosperity and a flourishing of free political institutions.

While some countries in the Alliance have been less than "models of democracy", (Greece, Turkey and Portugal for example), and others have witnessed the growth of Communist party strength and influence (Italy and Portugal for example), the military balance created by NATO has kept them free from outside domination.

There are voices being raised in the U.S. today, however, that NATO has become an anachronism, and because of detente it is seen as not only unncessary but disagreeable.[6] There are others who believe differently, e.g., William P. Bundy writing in Foreign Affairs -

> The basic analysis of the late 1940's--that it would be gravely threatening to world peace and to American security alike if the Soviet Union were ever in a position to gain effective control of the major resources of Western Europe and Japan--remains at least as valid today when the economic power of these two great centers of civilization has multiplied beyond the furthest dreams of postwar American policy makers. And the security of these areas depends on the maintenance of some sort of strategic balance by the United States.[7]

One could argue ad infinitum about the real meaning of detente and whether the Soviet Union is no longer a formidable potential threat. It would only be pure speculation for me or anyone to state what the Soviet Union truly has in mind for the future with their concept of detente. Deputy Secretary of State, Robert S. Ingersoll made the following comments recently:

> The ideological political and other problems that have divided the free and Communist worlds since the end of World War II have not been resolved, although significant progress has been made. So long as they are unresolved there is always the possibility that our adversaries will resort to threat or force to impose the solutions they want.[8]

Zbigniew Brzezenski, Director of Columbia University's Research Institute on Communist Affairs, and Director of the Trilateral Commission, believes that current Soviet behavior in at least five areas is "not consistent with progress toward an enduring detente":[9]

(1) The Soviet emphasis on continued and intensifying ideological hostility contradicts the spirit of detente.

(2) Secrecy surrounding Soviet military planning, development and deployment leads to concerns regarding their true commitment to detente. He poses the question that detente might be designed by the Soviets to lull the U.S. while they move from military parity toward something which could be translated into political superiority.

(3) The passive attitude of the Soviets on global issues (food, energy, developing countries) and a cynical indifference to the threats of nuclear proliferation by 3rd world countries.

(4) The Soviet position on human rights is anathema to U.S. positions.

(5) U.S. diplomats, businessmen, tourists, newspapermen and scholars are subjected to incomparably more harassment than are their Soviet counterparts in the United States.[10]

When one considers points 1) and 2) above, then it appears as if detente, at least in the short term, has not replaced the need for the NATO alliance. But the alliance itself is under scrutiny from within itself - there are some problems in the partnership. In the present uncertain situation, Western Europeans seem fearful that on the one hand,

the United States may "do a deal" with the Russians at Europe's expense, or that--on the other hand--the United States may walk off and leave them alone with the Soviets.[11]

MATTERS AT ISSUE IN THE ALLIANCE

1. Burden Sharing

The main issue, which isn't new, but just as volatile, is the U.S. commitment and burden sharing.

Because Europe's postwar economic recovery has been so spectacular, Americans tend to believe that Europe has benefited more than the U.S. from the alliance. The burden which is increasingly resented in the United States is the maintenance of large numbers of American troops in Europe costing approximately $10 billion a year; of which about $1 billion has to be paid for the "extremely expensive currency of economic competitors".[12] So far the Administration has been successful in defeating votes demanding a reduction of forces in Europe; however, with the large turnover in Congress this past election, there may be attentive and sympathetic ears listening to what Senator Mansfield described as -

> The fact that the 250 million people of Western Europe, with tremendous industrial reserves and long military experience, are unable to organize an effective military coalition to protect themselves against 200 million Russians who are contending at the same time with 800 million Chinese, but must continue after 20 years to depend on 200 million Americans for their defense.[13]

The burden sharing issue has been deeply devisive within the Atlantic Alliance. Not only has it contributed to pressures within the United States for the withdrawal of American forces from Europe, but it also has reinforced doubts about the durability of the U.S. defense commitment in the minds of the Europeans.

The problem of burden sharing has been rendered difficult by reciprocal perceptions of national interest on both sides of the Atlantic. American critics of Europe have argued that the defense of Europe should be primarily a European responsibility. European critics of the United States have contended that American forces in Europe serve primarily U.S. interests by providing a forward defense.[14]

The solution to the "burden sharing" problem is not an easy one. It will probably persist until a more meaningful and co-beneficial concensus can be attained by the U.S. and Western Europe. When economic considerations are at the forefront - and economies are on a downswing (as is the present case in both regions) a near-term solution appears doubtful. It is also a fact that the Soviet moves in Hungary and Czechoslavakia are becoming more a thing of the past, and until the Soviets make other militaristic moves in Europe, NATO countries are likely to put burden sharing in the "pending" basket.

2. Issue of NATO Structure and Strategy

Another issue of importance in the security realm is the structure and strategy of NATO.

Without addressing a comparison of respective Orders of Battle between East and West, it would suffice to state that the size of the Soviet conventional forces and weapons in the European theater is formidable. The expansion of the Soviet Navy is also a fact of life which any collective security structure such as NATO must address in structuring forces and developing strategy to meet the threat. Because there has been no unilateral reduction in Soviet and Warsaw Pact forces, it appears logical that unilateral reductions of NATO forces would be imprudent. This leads to the follow-on

conclusion that mutually balanced force reductions (MBFR) are the most probable means of any significant change to the existing NATO structure. It is also probable that the perception of the security guarantee held by the Europeans will be influenced by Strategic Arms Limitation Talks (SALT) between the United States and the Soviet Union. Anxiety in Europe about superpower bilateralism could impose a great strain upon European-American relations.[15]

MBFR could prove beneficial to the Alliance if consultative arrangements amongst the allies are maintained. However, if the United States decides to put more emphasis on bilateral relations with the Soviets, than multilateral efforts—or if tough tactics among the allies cause a collapse in trust and confidence, the entire structure of NATO could suffer.

Closely associated with the structure and strategy of NATO is the other "balanced force reductions" addressed in Strategic Arms Limitations Talks (SALT) between the U.S. and the Soviet Union. Perceived nuclear parity is the issue here, and in the defense of Europe--while NATO is dependent upon U.S. nuclear forces--the allies have a feeling of helplessness.

One can only speculate as to the outcome of future SALT agreements; however, the contentious concept that the United States might "decouple" itself from its strategic commitment to Western Europe has been an issue in trans-Atlantic dialogue recently.[16] What is significant in the fears of decoupling is that it questions the validity of the American nuclear posture as it relates to the defense of Western Europe, and thereby implicitly casts doubts on whether and how the U.S. will over the long run remain centrally involved in the security of the continent. From the time

that the USSR first demonstrated a nuclear capability, the European allies have questioned whether in the "crunch" the United States would really risk major nuclear destruction within its own boundaries in order to respond to a threat to the security of Western Europe. The old argument that De Gaulle raised when the Soviets had achieved rough nuclear parity with America, i.e., will the United States risk nuclear destruction for Paris, is still being battled around in NATO circles. The only true assurance that would probably solve the credibility question would be the emergence of a Nuclear Force.

The probability of an European Nuclear Force, or even a European Defense Community (as was once proposed in the 1950's) appears slight in the near term. If the European Community were to move forward to true political union, it could be possible that a European Nuclear Force could emerge. At the present time, there appears to be too many factors that make it improbable:

(1) Absence of a command and control; i.e., the control arrangement for such a force would require a political authority capable of deciding on its use on behalf of Europe - such cohesion, political or psychological is not probable in the near-term. Only a President of Europe with full authority in a nuclear crisis could endow a European deterrent with credibility.

I agree with Michael Howard's comments in The Round Table concerning the two countries in the Community now possessing nuclear weapons:

> So long as Britain and France can be physically annihilated by a fraction of the Soviet arsenal - say twenty-five apiece of the 700 missiles targeted on Western Europe - it is inconceivable that their weapons would be used against the Soviet Union for any purpose except to deter such a strike against their own territory. They can provide no security for West Germany, as the Germans are well aware. An

> Anglo-French nuclear deterrent is not an 'European' deterrent: indeed there cannot be any European nuclear deterrent until there is a 'Europe' with a legitimate sovereign authority with the power and the right to take the most terrifying of all decisions on behalf of all its peoples. The French President and the British Prime Minister are really not qualified to act as trustees until Europe comes of age.[17]

(2) The distrust of the FRG by France.[18]

(3) The Soviets would likely do everything possible to block construction of a full-fledged European nuclear deterrent. Closely related to this concern is the dread of West German acquisition of control over nuclear weapons.[19]

(4) In the absence of overt Soviet moves aimed directly at Europe, agreement upon common policies in the Community would be difficult. The responses of the Community during the Middle East War and the ensuing oil crisis being cases in point.

This last point leads to the final area of U.S. European security relations I will cover--the interpretation of what constitutes dangerous or unacceptable behavior, and what responses should be initiated to deter or stop it. The most recent, and possibly the most dangerous case in this regard was the Middle East War of October 1973.

The Arab-Israeli War of 6 October 1973 brought a number of the latent disagreements in the Atlantic Alliance into sharper focus. This was a sharp and divergent interplay of interests in regard to oil from the Mideast. Israel's being attacked brought forth a strong American response in her favor, and a divergence in European and American interests which amounted to a clash of policy. There was anger in the Federal Republic of Germany at the way in which American NATO bases were used to supply arms to Israel. There was anger in London and Paris at the way in which they

were excluded from negotiations between Washington and Moscow on a Middle Eastern cease-fire. And there was concern in all the European capitols; first at the remarks of Secretary of Defense Schlesinger about the need to investigate NATO responsiveness to American requirements in a Middle East emergency; and second, at the way in which the U.S. alerted its forces, including strategic nuclear forces, around the world without according its European Allies more than a few hours warning or any consultation.[20]

The United States found itself virtually alone, even after the Alliance countries were informed that the U.S. alert was actuated in response to a Soviet communication indicating it might move forces into the Middle East. The Middle Eastern crisis did more damage to the cohesiveness of the Western Alliance system than simply producing a rash of disagreements between Atlantic partners. The Arab oil states had not only declared a boycott on oil shipments to the United States for her support of Israel, but also against the Netherlands because of her pro-Israeli sentiment. In addition, the Arabs imposed a 25 percent reduction in oil extractive operation, and further increases in price.[21] This hurt Europe more than the United States because of their greater dependence on Mid-east oil. When the Council of Ministers of the Community met in the first week of November, 1973 it not only formalised its divergence from American policy by proclaiming neutrality in the Arab-Israel dispute but also refused to stand by its Dutch member.[22]

The United States considered the Mid East military balance to be as much in Europe's interest as its own. The NATO Treaty does not involve any European commitment to assist the U.S. outside the area of the Alliance. But the U.S. view was that the European countries should have supported the

Americans.[23]

Arthur Hartman, Assistant Secretary of State for European Affairs in the U.S. Department of State made the following statement before the House Committee on Foreign Affairs in February, 1974.

> The introduction of Soviet combat forces into the Middle East, which is what was threatened, would have fundamentally altered the East-West political and military balance, with incalculable results.[24]

He went on to say in the same testimony:

> ...we were convinced that our aims were as much in Western European interests as in our own. We also believed that the failure of the European allies to give us their fullest support not only demonstrated a regrettable lack of alliance solidarity but also placed Europe's own long-term security at risk. I should like to emphasize that we do not question Europe's right to its own view regarding the Arab-Israeli conflict in itself. What we did not understand, and what disappointed us, was the failure of the European allies to appreciate the extent of the Soviet threat in the Middle East and their consequent reluctance fully to support our operations during the crisis.[25]

The obvious arrangement of priorities in the European minds was oil first and alliance solidarity second.

What is perhaps a fallout of the Mideast crisis, which could adversely affect American and European relations, is one more "meaty" tidbit for public opinion in the United States to chew on, namely, if the alliance doesn't function in a test of solidarity - why keep it going!

The efforts of the United States to heal the wounds caused by allied divergence in the Mideast crisis were evidenced mainly by the heretofore-mentioned speech by Secretary Kissinger to the Pilgrims in London 12 December 1973, in which he proposed joint action on the specific problem of energy, and the NATO Declaration on Atlantic Relations signed in Ottawa 19 June 1974. Several references were made on both occasions to the

importance of improved consultations between the U.S. and the European Community.[26]

It is doubtful the European allies will anger the Arabs if a repeat of the October 1973 crisis were to occur in the near future. But, again this begs the question--is a Mideast war between the Arabs and Israelis a NATO threat? Or even more difficult to answer; whether an immediate threat to NATO or not, will the Europeans defy the Americans if the U.S. asks for their support? A recent article in the Washington Post addresses the question as it applies to our most powerful NATO ally, the FRG:

> The Germans are understandably reluctant to talk about which path they would choose in the event of a (Mideast) war. Despite a growing surge of speculation in the German press the Schmidt (Chancellor Helmut Schmidt) government has alternately refused to say anything, issuing terse restatements of its neutrality, or talked cryptically around the subject.[27]

The statement by Henry Kissinger in the much publicized Business Week interview that - "I am not saying that there's no circumstance where we would not use force"[28] - most certainly has resulted in our Atlantic allies wondering how deeply they might become involved in what might be an ultimatum to NATO solidarity!

SUMMATION

Despite the partial codification of the competitive relationship prevailing between the United States and the USSR, the problem of security to the Europeans remains important to them. Time will only tell if detente and the attendant initiatives at strategic limitations and mutually balanced forced reductions are but a tactic of the Soviets toward a greater strategy. The question as to whether at some point the Soviets may be tempted to try to exploit a claimed or perceived margin of superiority for

political gains is unanswerable at this point in time. However, it is my opinion that as long as the question is still being asked, the security linkage of the U.S. and the NATO alliance will be sustained.

NATO solidarity and continued viability will in large part be accomplished by reducing the anxiety and strains existing in the U.S.-European relationship by closer consultation and accomodation by both regions on matters of mutual importance; whether it be burden sharing issues, Mideast issues or changes in military force structures.

Predicting the emergence of a European Defense Community, which would be independent of the United States in both nuclear and conventional military force, is futile. There is likely to be greater economic unity in Western Europe, but military unity appears politically infeasible at least in the near-term.

Where the real danger lies, it appears, in Alliance relationships and Alliance strength is on the domestic scene. The coincidence of lessened perceptions of threat with economic stringencies on both sides of the Atlantic most probably will result in continued domestic pressures to reduce defense expenditures. If the true political-security issues become obscured by domestic debate on burden sharing, and quid pro quo factors, it is not illogical to expect public disenchantment with the U.S.-NATO commitment. And without public support realistic defense policies for Europe will fall on deaf ears.

PART II

SECURITY AND JAPAN

> Since Japan has become militarily a small power, she has found that she can do without military strength thanks to American protection and perhaps also to the changed nature of world politics, in which military force has now only marginal utility--or a least has lost its 'positive' function of making people obey.[29]
>
> - Masataka Kosaka

JAPANESE-AMERICAN SECURITY TREATY

Since 1945, Japan's strategic protection has been provided by the U.S.

The treaty commits the United States in the following language:

> Each party recognizes that an armed attack against either party in the territories under the Administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and procedures.[30]

So then, as is still the case today, the single most important aspect of Japan's national defense was the assumption by the United States of the primary responsibility for Japan's territorial security. Under the 1960 Treaty of Mutual Cooperation and Security the United States committed itself to defend Japan against external attack. Thus, the United States remains today the key to Japan's protection.

The treaty is still in effect as of the date of this writing.

One significant problem associated with the treaty has been the touching-of-sensitivities associated with American bases on Japanese soil. Land in Japan is scarce - but even more important than land scarcity, is

the fact that the people using the scarce land are Americans. Proud and increasingly nationalistic, many Japanese are uncomfortable with foreign troops in their midst.[31]

Opposition to American bases in Japan has been an important policy of the Socialist and Communist parties, and of other radical groups, especially among students. The pacifism that the Japanese felt in the post-war period has led them to oppose any military forces at all and to advocate neutralism on the basis that the issues in the Cold War were "superpower" issues and should not involve Japan.[32] Many felt American bases invited attack by Russia, perhaps also by China. This kind of opposition gained strength when the Vietnam War heated up in 1965, several demonstrations outside of U.S. facilities in Japan accentuated this feeling. Opinion polls, too, have repeatedly demonstrated that the Japanese are far from united in their support for the government's policy of maintaining the Japan-U.S. Security Treaty.

According to Masataka Kosaka, writing in the Adelphi Papers, opposition to the Security Treaty in Japan remains a psychological problem:

> It is natural for Japan to dream of some miracle formula by which she can become less dependent on the U.S. and in my opinion the strength of the Japanese opposition to the Japan-U.S. Security Treaty could be attributed to this psychological attitude.[33]

Kosaka continues this theme and hints of impending neutralism, in the Atlantic Papers:

> ...neutralist feeling has become strong in Japan, as is clear from public opinion polls. In abstract terms, people generally prefer a neutral policy to alliance with the United States as the best security for Japan. They consider neutralism more conducive to world peace. But a more important reason for the strength of neutralism is

> that it is an expression of Japanese nationalism, which seeks greater independence from the U.S. In sum, though it is true that most Japanese deem it both inevitable and wise to cooperate with the United States, we cannot neglect the psychological factors working against the present policy, nor rule out the possibility that Japanese foreign policy may swing to other people.[34]

How long the Security Treaty will stay in effect is difficult to forecast. It would appear as if much depends on how effective the Japanese consider the U.S. guarantee to be.

There is wide-spread scepticism as to the reliability of the American guarantee in circumstances where it entailed a real risk of nuclear retaliation against the United States itself. The credibility or good faith of the United States government is not seriously doubted; the fear is rather that American public opinion after Vietnam would not permit any American government to honor such commitments.[35]

Kosaka alludes to this fear in the Adelphi Papers:

> One can argue that the Security Treaty is not an alliance in the proper use of the term but only a unilateral guarantee by the United States. This has been recognized in the United States by a section of American opinion reminding the U.S. government of the Japanese 'free ride'.[36]

More recently the view has spread that it is both undignified and inappropriate for a state of Japan's importance and stature to depend so heavily on another state for its basic national security and that it is irresponsible to do so.[37]

Combining these sentiments with U.S. "retrenchment" as a possible follow-on to the Nixon Doctrine, the contemporaneous pacifist atmosphere in the U.S. Congress, plus U.S. public opinion indicating a dissatisfaction with foreign commitments in general, it is not difficult to understand why the Japanese government might be considering new initiatives in the

field of national security and foreign policy. However, they are not apt to abandon overnight the guarantee by the U.S. until they are satisfied that some more satisfactory arrangement is attainable and at hand.

This last point leads to the question of Japan's own defense establishment, and its viability.

THE JAPANESE SELF DEFENSE FORCE (SDF)

The size, structure, and mission of Japan's armed forces are regulated by a number of constitutional, statutory and informal restrictions. Article 9 of the Constitution of 1946 (still in effect today) stated that

> the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes.[38]

The non-nuclear weapons policy has been followed since the end of World War II, and they have also adhered to policies prohibiting the deployment of Japanese armed forces outside the national territory and the acquisition of offensive weapons, such as bombers and aircraft carriers.

The genesis of the SDF dates back to 1950 when the Japanese government authorized the establishment of the National Police Reserve in July, 1950.[39] In mid-1952 the National Police Reserve was redesignated the National Safety Force and expanded to 110,000 men. The Coastal Safety Force, which had been organized in 1950 as a counterpart to the National Police Reserve was transferred to the National Safety Agency to constitute an embryonic navy.[40]

The National Safety Force underwent further development, and the war renunciation clause of the constitution provoked strong political objections to any military-type expansion. However, in 1954, separate land sea and air forces were established and designated the Self Defense Forces (SDF).

Then as now, the defense establishment remains under civilian control.

The total authorized strength of the three branches of the SDF is about 260,000.[41] The Fourth Defense Build-up Plan (1972-1976) called for small increases in personnel, but an upgrading of equipment. The program also seeks to end Japan's dependence on the U.S. as its major source of advanced weaponry. Virtually complete self-sufficiency in arms production is to be achieved by 1976.[42] For example, of the 211 modern aircraft scheduled to be delivered under the Fourth Defense Plan, only fourteen will be purchased outside the country. Forty-six F-4 Phanton jet aircraft will be built in Japan under United States license, and the rest will be of Japanese domestic design and manufacture.[43]

Annual appropriations in support of the military establishment have been minimal. Since World War II Japan has spent less on defense as a percentage of GNP than has any other major power in the world. The Fourth Defense Buildup Program called for total expenditures of about $15 billion - less than 1 percent of Japan's projected GNP through 1976.[44]

The SDF is in fact defensive in nature, and highly trained. From the viewpoint of international security, Japan is finding itself in a dilemma. As Niu Sien-Chong writes in NATO's FIFTEEN NATIONS:

> If Japan greatly increases its Self Defense Forces, it may unnecessarily arouse distrust among other Asian countries. On the other hand, if Japan's military force remains too small in scale, it may upset the power balance and have an unfavorable influence on peace in the Asian-Pacific Region.[45]

American influence on the SDF has been significant. The force structure, strategy, tactics and equipment reflected a strong adherence to the U.S. military model. However, the American influence is waning; from 115,000 troops stationed in Japan in 1950 to approximately 21,000 by mid 1973.[46]

United States military assistance also waned during this period. Grant aid, which from 1950 to 1963 totaled over $772 million, by 1970 it was less than $1 million per year, and has been steadily decreasing after that.[47]

In light of the foregoing trend at less dependence on the U.S. and in view of the speculation that Japan may be entering a new era of political power commensurate with her economic power, the question of Japanese rearmament exerts itself.

JAPANESE REARMAMENT?

> The Japanese approach to the question of national defense seems to be motivated by a mixture of genuine security concerns with a more elusive preoccupation with international standing. This combination makes it more difficult to answer the questions: How far will Japan rearm, and above all, will she go nuclear.[48]
>
> -Zbigniew Brzezenski

Despite the growing recognition of a need for more conventional military forces, there has been no serious effort to amend the constitutional clause on the renunciation of war.

The question of Japan's rearming has been more speculative than assertive if one reads the writings of western writers. Herman Kahn in his book The Emerging Superstate states his belief that the follow-on to Japan's financial and political power will be their striving to become a military superpower as well.[49] V.K. Wickramasinghe, takes issue with Kahn:

> it is difficult to conceive of Japan becoming a power comparable for example, with the United States, the Soviet Union or even China. The difference arises basically from the differences in natural resource endowment between those countries and Japan....perhaps a policy that would appeal to the Japanese people in the future is one designed to ensure their continued enjoyment of improving living standards including an improved environment, but without being too

> dependent on the goodwill of other nations, and also without the necessity to resort to the creation of large military forces having the overtones of the old imperial condition.[50]

Donald Kirk, writing in Worldview, leaves the question of rearming open, and makes a case for what he believes to be an increasing undertone of a Japanese desire to expand militarily. After several interviews with Japanese military experts and also "theorists", Kirk writes:

> One comes away from such conversations with a general sense of puzzlement and uncertainty....perhaps no one in Japan, including military officers, politicians and bureaucrats, really knows where Japan is heading militarily, and therefore it is common to hedge answers or rely on formal statements of policy.[51]

In The Fragile Blossom, Brzezenski[52] discusses Japan's becoming a military power in the context of feelings of insecurity about the United States -

> broadly speaking, pressures for Japan to become a major military power can be seen as originating from four sources: feelings of insecurity, concerned economic interests rising nationalism, and increased uncertainty about the United States.[53]

He and Masataka Kosaka both mention the necessity of Japan's protecting her growing overseas interests and dependence on open sea lanes of communication to protect her needed avenues of trade and resources - particularly oil. Brzezenski mentions that -

> some Japanese, particularly leaders in industry, have argued in favor of naval forces with a long-range strike and convoy capability.[54]

Kosaka states along this same line -

> Japan is a maritime nation in that her security is threatened if hostile powers gain control of the surrounding seas and in that she must live by trade, for which she is suitably located. So long as the American Navy controls the Western Pacific, therefore, the only sensible security policy is a close security relationship with the United States. Moreover, so long as such a

> relationship gives Japan very reasonable protection, a security policy based upon strong armaments of her own is apparently of doubtful value.[55]

Despite the authoritative opinion that increased Naval forces are required to protect Japanese interests, there is still a significant portion of the Japanese electorate who oppose large scale rearmament and the country as a whole is aware of Asian fears of Japanese rearming. Therefore, the political sensitivity of the issue probably means that rearmament is not a near-term probability.

WILL JAPAN GO NUCLEAR?

Any serious discussion of Japan rearmament always leads to the question of Japan's developing nuclear weapons.

The fact that Japan is capable of developing a nuclear weapon has been known for some time. They are developing nuclear energy plants, and it is projected that in approximately 10 years Japan will have a sufficient supply of plutonium to manufacture several hundred bombs per year, if needed.[56]

So the question is not centered on her capability to develop a nuclear arsenal, but about Japan's will to do so.

The widespread commitment of post-World War II Japan to ideals of pacifism, and the memories of Hiroshima and Nagasaki continue to generate strong public opposition to any military nuclearization.[57] Official sensitivity to public attitudes was demonstrated by the dismissal of Minister of Agriculture Tadao Kuraishi in 1968 after a speech in which he had casually remarked that Japanese fishing boats would no longer be harassed by Soviet trawlers "if we had atomic bombs".[58]

Although nuclear weapons were not specifically mentioned in the 1946

Japanese constitution, all governments since then have consistently adhered to a policy embodying the "three nuclear principles." Japan would not produce, possess, or permit the stationing of nuclear arms on Japanese soil.[59]

However, by 1972 there were indications that official attitudes were in a state of flux. The Diet still had not ratified the Nuclear Non-Proliferation Treaty, which had reluctantly been signed by Japan in 1970.[60] In addition, since 1957 Japanese government spokesmen have progressively established a basic distinction in principle between offensive nuclear weapons, the possession of which would clearly be a violation of the constitution, and defensive nuclear weapons, considered permissible under post - 1954 official interpretations of Article 9.[61]

In viewing which domestic pressure groups might advocate nuclear arms development, it appears as the following: 1) Business interests which include the arms industry, the conglomerates concerned with protecting transportation routes (especially oil routes). 2) Those interest groups concerned with international prestige as a means of opening new doors to markets in China and Russia.[62] How influential these interest groups could be if they decide to make a concerted effort to influence nuclear armament development can only be answered in a speculative way. Herman Kahn believes Japan will become a nuclear power, and that strong emotional feelings of nationalism and the need for Japanese autonomy will be the driving forces behind the decision.[63]

Brzezenski believes Japan will go nuclear only if they suffer some jolting experience, shattering Japanese reliance upon on the United States. A precepitous American disengagement from some area, achieved under either

Chinese or Soviet nuclear threat, could be one such eventuality.[64]

Bullard believes a strong reason for not developing a nuclear capability is the pragmatic reasoning of national leaders in Japan who will see that military nuclearization will cost Japan much more than it gains in its dealings in the international system.[65]

Kosaka essentially agrees with Bullard, and purports a belief that nuclear weapons would have dubious utility for Japan's security. He, like Bullard, sees too much international backlash involved -

> Strong domestic opposition and unfavorable international reaction to Japan's acquisition of nuclear weapons seems almost certain, and in view of this, it is better for Japan to remain a threshold power than actually to become a nuclear power.[66]

Yasuo Takeyama, states in an article in Foreign Policy:

> The Japanese people are definitely determined not to become a military power armed with strategic or tactical nuclear capability, even though Japan may have to modernize her self-defense forces with conventional weapons.[67]

He goes on to say in the same article:

> As an Asian country, we think that Asian security problems should be resolved by political, economic and cultural means rather than taking a narrow military point of view.[68]

Kiuchi Saeki, former Commandant of the Japanese Defense College, considers China's nuclear capability. He notes that the American nuclear guarantee is not complete protection, but warns that an independent Japanese deterrent also would fail to solve all the problems created by the Chinese capability. He also states a "wait-and-see" philosophy -

> The Japanese can wait and see whether the efforts of arms control focusing on the SALT talks as well as the maintenance of the U.S.-USSR bipolarity will succeed in persuading second-class nuclear states to realize that nuclear arms do not provide political and military dividends commensurate with their cost.[69]

In summary, it appears as if Japanese rearmament and "going nuclear" are not to be expected in the near term. The most logical basis for this opinion is that Japan is doing quite well in her present unarmed status and it would be counter-productive to her international trade.

It does appear obvious, however, that the present U.S. nuclear guarantee plus the absence of a Japanese perception of current threats to their security, are big factors in the equation.

However, if the U.S. were to cease its present security commitment to Japan, or if relations between the U.S. and Japan became serious enough to effect a mutual abrogation of the Security Treaty, Japanese rearmament could result.

Of course, another option for the Japanese might be alignment with the Soviet Union or China, which leads to the next topic.

JAPAN, THE SOVIET UNION AND CHINA-SECURITY QUESTIONS

(1) Japan-Chinese Relations - The re-establishment of relations with mainland China by the Japanese in 1972 was a landmark in post-World War II Japanese-Chinese relations. China was pleased with this new relation with Japan because she saw Japan as a potential military threat.[70] Japan's wish for closer relations with China grew out of a feeling of isolation and insecurity due to the fact that one of her closest Asian neighbors was a potential enemy - and one that possessed a nuclear capability. In strategic terms, both China and Japan have perhaps increased their sense of security, which results in a "relaxation of tension"[71] in the area.

The fact still remains - that to any extent in which the Japanese feel threatened, the threat originates primarily from the Soviet Union and China.[72] Although the initial Japanese response to China's explosion of a nuclear device was a tendency to dismiss it - the sense of danger is an

additional incentive for Japan to seek normal relations with China.

The present situation suggests no startling moves in either direction in the Japanese-Chinese relationship.

If, however, the Japanese sphere of influence expands in Asia to a point where China may feel uneasy about another "Imperial China" hostilities could occur. The other factor is related to stability in the Japanese-Soviet relationship. If Japanese-Soviet overtures towards each other move from the present "economic" sphere to the development of a "security" arrangement, China might feel squeezed in the middle which could result in a more dangerous situation for Japan. This could manifest itself by Chinese moves in Korea, which the Japanese fear could possibly "warrant direct Japanese intervention - and create a serious difference of opinion with the United States."[73]

Chalmers Johnson, writing in Foreign Affairs, brings the U.S.-Japanese relationships into the arena:

> One reason why Sino-Japanese relations might worsen is because of Japan's security problems. ...Japan is dependent upon and committed to, maintaining her defense against China's growing nuclear strength via the American'nuclear umbrella'. However, to the extent that the Japanese-American security treaty becomes less credible in Japanese eyes, the Japanese government will be forced to find some other way to provide for the security of a non-nuclear nation in a nuclear world. One way would be for the Japanese themselves to become a nuclear power. The Japanese do not want this; they know that to do so would alarm many of their trading partners and would win their chance for a detente with China.[74]

(2) Russo-Japanese Relations

> The Japanese do not like the Russians. More than that, they have strong feelings of resentment and contempt for them, possibly disliking them as a nation more than they do any other.[75]

this is how Brzezenski describes Japanese feelings toward the Soviet Union.

Whereas the Sino-Japanese relationship could be described as slow, cautious and patently unobtrusive from either side, the Russo-Japanese relation is proving to be more dynamic.

Both countries are interested in increasing economic cooperation particularly in the development of Soviet Far Eastern natural resources. Yet, they are divided by serious disputes over the Kurile islands which the USSR annexed in 1945. [76]

Soviet commentators, according to W.W. Kulski, stress the potential militarism of Japan, and denounce the Japanese military cooperation with the United States - this includes accusations against Japan of helping the U.S. in the Vietnam war. [77]

The Japanese-American agreement on Okinawa (which returned Okinawa to Japanese jurisdiction in 1971) is a source of embarrassment to the Soviet Union. On the one hand, it provides a political agreement to Tokyo in its territorial dispute over the Kuriles with the USSR and, on the other hand, it leaves to the United States the right to maintain a military base on the island, from which an attack could be launched against the Soviet Union. [78]

Although meetings and visits during the last few years between Japanese and Soviet officials have been considered centered on issues of economic cooperation and the Kurile islands, one could speculate that perhaps the question of security arrangements were discussed.

It is interesting to note that shortly following President Nixon's "shock" to the Japanese of visiting Peking in 1971, the Soviet Foreign Minister, Andrei Gromyko visited Tokyo. This was followed by a visit of Mr. Brezhnev in November of 1973 to Tokyo, and followed shortly thereafter

by a visit of Prime Minister Tanaka to Moscow. All indications point to Japan's unwillingness to replace the American guarantee of security with a Soviet one; however, if Japan's fear of China increases, or if Japan detects a lessening of the U.S. commitment to her security, it is not too illogical to assume that an implied offer of Soviet nuclear protection against China might not be wholly unwelcome.

From the viewpoint of the USSR, Japan could play a role in Asian security which could a counterbalance in the acrimonious Sino-Soviet relations. The question of collective security is a difficult one. Japan would not want to antagonize the Chinese, nor are they willing to replace the American guarantee. James Simon, writing in The World Today believes—

> The USSR can be expected to put pressure on Japan to abrogate her security treaty with the United States.[79]

Mr. Brezhnev alluded to this supposition at a luncheon for (then) Prime Minister Tanaka in Moscow in October 1973.

> ...Japan can and must play a great role to strengthen universal peace and develop peaceful cooperation among all countries...we would welcome cooperation between the Soviet Union and Japan....in the interests of consolidation of peace and security in Asia and the world.[80]

It appears logical to arrive at the conclusion that Russo-Japanese relations are perhaps more dynamic and more substantial than any time since the end of World War II and that economic cooperation - particularly as it regards oil - are more viable than security cooperation agreements.

Brzezenski supports this belief in Fragile Blossom:

> The Japanese response (to the Soviets), though formally positive and even superficially cordial, will remain limited by strong feelings of suspicion and caution. The Soviet Union accordingly is not where Japan will seek to fulfill itself.[81]

SUMMATION

It appears as if neither Japan nor the United States wishes to terminate the existing alliance or abrogate the present security treaty. But there are feelings in both countries that each is of the belief it is more advantageous to the other. Many Japanese seem to think that by permitting the U.S. to maintain bases on their territory, they are extending a favor to the United States, not actually increasing their own security.

In the light of 20th century history, one would expect a big economic power like Japan to want to acquire military power commensurate with its economic strength. Japan's current national policy, as enunciated by its new Prime Minister, runs counter to this point of view. Japan appears determined to try a new path, that of economic power without a major military establishment. Linked to the question of rearming is the belief of many that Japan will eventually have to go nuclear, because they are a proud people with a strong desire to be independent in world affairs. These same people indicate the real question is not one of acquisition but of timing. However, the present Japanese leaders deny any thought of rearming or "going nuclear".

On the surface, therefore, Japan seems non-militaristic and steady on course. But as Professor Brzezenski observes in the Fragile Blossom

> Japanese society can be said to be characterized by a kind of metastability, that is to say, a stability that appears to be extremely solid until all of a sudden a highly destabilizing chain reaction is set in motion by an unexpected input.[82]

With the "hawk" and "dove" debates continuing and Japan the issue of rearmament will remain volatile. The "hawks" favor an activist policy, in which Tokyo cuts most of its dependence on Washington. Whereas the "doves"

favor remaining dependent on the United States and continuing the anti-nuclear weapons policy. The energy crisis resulted in Japan feeling insecure, so the need to retain security links and the "status quo" is currently the popular alternative.

Uncertainty about the United States, particularly after the "Nixon Shocks" of 1971 reinforce the argument that if the U.S. appears isolationist to the Japanese and the U.S. nuclear guarantee loses its credibility, the Japanese will become militarist.

The Nixon Doctrine, coupled with the rise of Soviet and Chinese power in Asia, has set in motion regional security problems whose character and prospects are not currently predictable.

How the Japanese-Soviet-Chinese relations will develop is important to the stability in the Asian region. However, these relationships are presently "fuzzy" at best, and must be considered in the light of the Japanese reliance upon the United States for security.

Both Peking and Moscow are aware that the American-Japanese alliance can degenerate. And both would no doubt be pleased to accomodate an aggrieved Tokyo. They could even be expected to compete for Japanese favor.

Obviously, Japanese relations with the USSR and China effect how Japan sees its need for U.S. forces since other threats to Japanese security are virtually non-existent. These relations are presently good enough to preclude any immediate Japanese fear of Soviet or Chinese moves impairing that nation's security.

In conclusion, as was the situation in the case of European security, questions of future Japanese security considerations are centered on the United States and her expressed desire to continue the alliances under the

protection of the U.S. nuclear deterrent. Ralph Clough, writing in the Next Phase in Foreign Policy poses a sobering alternative:

> ...if Japan lost confidence in the United States as a reliable ally and decided to develop powerful military forces armed with nuclear weapons, not only could the United States no longer count on close cooperation with Japan, but also it would have to face the danger that nationalistic Japanese policies might again threaten international stability in East Asia and even that might, in the long run, aligh itself with either the USSR or China against the United States.[83]

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52. (I was interested to find out that as of the date of my writing, Dr. Brzezenski was on a leave of absence from Columbia University and lecturing at a Japanese Defense College).

53. Brzezenski; The Fragile Blossom, p. 97.

54. Ibid, p. 98.

55. Kosaka, Adelphi Papers, p. 2.

56. Brzezenski; The Fragile Blossom, p. 108.

57. Area Handbook, p. 601.

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59. Ibid.

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62. Bullard, Monte R., "Japan's Nuclear Choice", Asian Survey, Sept. 1974, p. 850.

63. Kahn, "Superstate".

64. Brzezenski, Fragile Blossom, p. 110.

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CHAPTER III

THE TRILATERAL COMMISSION

TOKYO, OCTOBER, 23, 1973

> Non-governmental leaders from the United States, Europe and Japan appealed here today for three-sided cooperation among the major industrial grouping to cope with a world in which American power is losing its position of dominance.
> The occasion was the founding of the Trilateral Commission, 180 businessmen, political scientists and their leaders described today as the leading citizens of their continents'. The idea for the three cornered commission was attributed to U.S. banker David Rockefeller who expressed hope that the new forum will help the major industrial nations acquire the habit of working together rather than at cross purposes [1]
>
> - Washington Post, October 24, 1973

GENESIS OF THE TRILATERAL COMMISSION (T.C.)

The information I have gathered on the T.C. itself has been mainly through the kindness and good graces of Dr. Zbigniew Brzezenski, the Director of the T.C.; Mr. George Franklin, Secretary, and Mr. Gerard Smith, North American Director of the T.C.

The original proposal for the Commission was David Rockefeller's idea. As Mr. Franklin related it to me in his letter of October 15, 1974;

> He (Rockefeller)mentioned the thought of such an organization in the Spring of 1972 [2]

Mr. Franklin continued in this same letter;

> He (Rockefeller) also broached the same thought extemporaneously at a meeting of Bilderberg group.[3] It was received with great enthusiasm at the latter and as a result he asked me to go to

> Europe in May of 1972 to talk to a number of European leaders and see if they liked the idea. He and I went together to Japan in June for the same purpose, and as a result of successful soundings in both of these areas, an informal group, mostly of leading scholars from the three areas was assembled to Pocantico Hills in the middle of July. They voted enthusiastically to go ahead, and those present recruited the leading members, including the chairmen, from their own areas.[4]

A letter I received from Mr. Gerard Smith, North American Director of the T.C. also mentioned David Rockefeller's role in its founding, but Mr. Smith mentioned that Zbigniew Brzezenski and Henry Owen had an influence in the concept of such a group by their writings in 1972.[5]

In researching the writings of the two distinguished gentlemen mentioned by Mr. Smith, I did indeed find that both had addressed the trilateral concept. Dr. Brzezenski in his book, The Fragile Blossom, centers on Japan and her search for a new role in the world. In the "Conclusions and Recommendations" Chapter he emphasizes the trilateral concept:

> A community of the developed nations is gradually emerging anyway, but more deliberate steps are needed to give this process direction and purpose, and to offset tensions affecting the Japanese-American relationship. To that end, regular annual meetings of heads of state of Japan, Western Europe, and the United States are desirable...Alongside the above, more informal three-way contacts are needed; a continuous dialogue among the social elites of the three entities needs to be stimulated...[6]

In an article in Foreign Policy in 1972, Brzezenski maintains the same theme, but this time in more of a balance of power or security vein:

> What we now have, and are likely to have for some time, is a combination of bipolar-power world with a multiple state interplay. In effect, two overlapping triangles, one still essentially competitive in nature and one basically cooperative. The largely competitive triangle involves America-China-Russia; the cooperative one America-Europe-Japan.[7]

He continues in the same article:

> Given the more unsettled global conditions, it does seem desirable to widen those areas of international cooperation between Europe, Japan, and America into a more binding community of the developed nations. Failure to do so would be very costly for the future of mankind. At this stage of history only these three major units have the potential for developing truly cooperative relations, and this opportunity should not be forfeited.[8]

Henry Owen, Director of Foreign Policy Studies at Brookings, and a member of the Trilateral Commission, edited The Next Phase in Foreign Policy,

In the "conclusions" chapter he writes:

> Creation of a working community of developed nations which would include the United States, Western Europe and Japan, should be our first order of business. The economic field is where such a community is most likely to take form. Global negotiations to deal with growing interdependence in trade, monetary policy, and agriculture should be pursued to this end.[9]

MEMBERSHIP OF THE TRILATERAL COMMISSION (See Appendix A)

One of initial motivators in my picking this topic for my thesis, was the interesting and intriguing panoply of members in the T.C.--particularly from North America. Marquis Childs, writing in the Washington Post said it well:

> The list of specialists, reading like a 'Who's-Who' in commerce and finance.[10]

It is a mix of not only big names in commerce and finance, but also academicians, labor leaders, and U.S. government figures of past and present. It is interesting that although the majority of the North American members could be labeled "business and finance" in specialties, there are several--including the Director (Brzezenski) and the North American Chairman (Smith) who have been more closely associated with political-security endeavors. For example, Gerard Smith, was former director of the

United States Arms Control and Disarmament Agency (ACDA), and leader of the U.S. delegation to the Strategic Arms Limitations Talks (SALT). Ambassador Smith has been a leader in official arms control efforts for nearly twenty years. Before joining ACDA in 1969, he served in the U.S. State Department in several capacities related to disarmament and as Assistant Secretary of State for Policy Planning.[11]

Dr. Brzezenski, currently Herbert Lehman professor of government and director of the Research Institute on Communist Affairs, Columbia University, also served in Policy Planning of the U.S. Department of State from 1966 to 1968. His writings have heavily reflected considerations of security - balance of power, and Soviet-U.S. relationships. It was also interesting to learn that Dr. Brzezenski was on a leave of absence from Columbia in the Fall of 74 to teach at a Japanese Defense Academy.

Also, the membership contains former notable Department of Defense names: David Packard, Cyrus Vance and Paul Warnke.

Two other personalities that attract attention are Dr. Edwin Reischauer, former U.S. Ambassador to Japan, and Eliot Richardson, former U.S. Secretary of Defense and currently U.S. Ambassador to Britian.

In addition to Gerard Smith, the North American Chairman are the other two regional chairmen; Takeshi Watanabe, Japan, and Max Kohnstamm, Europe. Mr. Watanabe was formerly Executive Director for Japan of the World Bank and the International Monetary Fund, and recently President of the Asian Development Bank. Max Kohnstamm was formerly Vice President of Jean Monnet's Action Committee for a United States of Europe, and currently President, European Community Institute for University Studies.

There are many more personages in the membership which if space per-

mitted, should be mentioned; however, collectively it could be described as written in the Economist:

> ...they want to bring about action, and hence they want the new body to be a marriage of the intellectual and the influential.[12]

ORGANIZATION AND PURPOSE

Organization[13]

(1) The Commission - composed of about 180 individuals drawn equally from Japan, Western Europe and North America. The Commission is scheduled to meet as a whole at least once before October, 1976. Meetings are also scheduled by each of the three regional groupings.

(2) The Executive Committee - composed of 34 members of the larger commission including 9 from Japan, 9 from the U.S., 2 from Canada, and 14 from the European Common Market countries.

(3) A number of Task Forces - composed of T.C. members as well as of experts from outside the Commission. The Task Forces study pertinent problems and develop policy recommendations for the Trilateral Commission.

As of the date of this writing (February 1, 1975), five Task Force reports have been received by the T.C., these are: Towards a Renovated World Monetary System; The Crisis of International Cooperation; A Turning Point in North-South Economic Relations; Directions for World Trade in the Nineteen-Seventies; Energy: The Imperative for a Trilateral Approach, Part I; Energy: A Strategy for International Action, Part II.

Additional Task Forces are planned in such areas as World Resources; Domestic Problems Common to the Three Regions; Task Force on the Oceans; The Renovated International System[14]; Task Force on the Governability of Democracies[15]; Trilateral Task Force on Values[16].

The Task Force on Values should be particularly interesting. Their

mandate is to assess the effects of values and attitudes currently prevailing in the three regions on the future of the trilateral relationship. This study is expected to examine such topics as the concept of citizenship; the status of the work ethic; the perception of domestic and international priorities; and the broader implications of the emergence of post-industrial society.[17]

The real "pith" of the Trilateral Commission, which is stated in the Commission's Purposes (Appendix B) is "the development of practicable proposals on questions of vital mutual interest". Or in David Rockefeller's words -

> to bring the best brains in the world to bear on the problems of the future.[18]

TASK FORCE REPORTS

The composition of the respective TASK Forces, a list of their principal consultants, and a summary of each report[19] is shown in Appendix C.

Each Task Force is composed of three "Rapporteurs" from each of the three areas represented in the Commission. These three personages, after consulting with various specialists in the fields related to their task, and after several meetings amongst themselves in various countries of the three regions, meet for a final time to draw up the joint report. The Task Force Report is then distributed to other members of the Commission as a Triangle Paper.

It is obvious, even by only a cursory glance at the Task Force Reports in Appendix III, that there is a similarity between the problem areas listed in Chapter I of this paper and those being addressed by the Trilateral Commission. Some of the more prominent ones are:

(1) The necessity for the trilateral regions to work closer together in the area of the World Monetary System in order to prevent monetary anarchy, and to establish new consultative machinery to encourage better monetary cooperation.

(2) The need to establish better means of promoting international cooperation and consultation amongst the Trilateral regions. Particularly, in view of the growing interdependence of the triad and the failure of the United Nations to provide an institution capable of solving serious international problems.

(3) The need to restructure North-South economic relations, recognizing the growing importance and interdependence in regards to the LDC's.

(4) In the area of trade, the need to arrive at multilateral trade negotiations. Also, the need to provide for advance consultation before restricting exports or imports, and the need to avoid "trade wars" among the world trading powers of Western Europe-Japan, and the U.S.

(5) A recognition of the economic, as well as the political problems, associated with the energy crisis. The need to avoid confrontation with each other in the quest for energy resources. In this regard, exploring the possibilities of obtaining increased energy supplies on a cooperative, consultative basis while avoiding any substantive dependence on the USSR and China. One of the recommendations was the establishment of an Energy agency to promote consultation and coordination of policy. An article in TIME magazine August 12, 1974 was interesting:

> A promising development on the energy front: Last week the Energy Coordinating Group, whose members include the U.S., Canada, Japan and the nine Western European oil importing nations, announced a major stride toward a unified, help-thy-friend energy policy. Meeting in Brussels

> ...the group accepted in principle a U.S. sponsored proposal for sharing and conserving oil supplies during future energy emergencies.[20]

The headline of the November 15, 1974, Washington Post was also germane: "U.S. Suggests 'Global Plan' on oil crisis" was the caption, underneath it read:

> Secretary of State Kissinger last night called on North America, Western Europe and Japan to act jointly to avoid 'perpetual crisis' over soaring oil prices. Only drastic conservation in energy consumption and 'collaboration among the consuming nation', can protect the Western World from the threat of a new oil embargo and the risk of financial collapse.[21]

Another interesting follow-on to the Energy Task Force Report, was the introduction of a Trilateral Commission resolution into the Congressional Record by Senator Roth on December 19, 1974. Part of this resolution reads as follows:

> In view of the proposals which have been put forward for cooperation between the oil consuming countries, and the need for cooperation also with the oil producers, the Executive Committee of the Trilateral Commission calls on all the major oil consuming countries to approach the OPEC countries in order to find out if they would consider:
>
> Setting up a new Bank for Fund Recycling, with subscription of an equal amount of capital and joint control by oil consumers and producers.
>
> Such parity is essential to create confidence and stability, enabling the bank to borrow funds from the OPEC countries on an acceptable debt instrument.
>
> Creating a new international agency associated with the World Bank to supply the extra $3 billion a year urgently required by the most needy developing countries. This agency should borrow $3 billion a year at 8 percent interest from OPEC countries and lend it to low income countries at 3 percent, in loans with 20-year maturities and four year grace periods, in each of the years 1976-1980. The total cost of the interest subsidy required for the years 1976-1980, a sum small enough so that it should be politically feasible to raise it among the OECD and OPEC countries.[22]

SUMMATION

The Trilateral Commission appears to have gained acceptance by the countries involved. The economic interdependence prevalent today, and the lack of specific consultative bodies for the economic superpowers, gives the purpose of the T.C. credibility and substance. Trilateral cooperation on an ad hoc basis, which has been the case as evidenced by the Task Forces, appears to be one positive method for translating the needs of the contemporary world into specific policy recommendations on a variety of issues.

There are some areas in which Trilateral consultation and union could be interpreted as counter-productive. For instance, the Japanese expressed a fear that the

> three cornered leadership could give rise to resentment and suspicion from communist powers and from poorer nations in the non-communist world.[23]

Another is the appearance of the T.C. as a "rich-man's club".[24] European disunity could also impede trilateral progress, and undercut its viability.

The question of security, and the myriad of problems related thereto, has been, to me, conspicuous by its absence in the work of the T.C. Professor Reischauer mentioned in his letter to me of September 27, 1974:

> While the European members of the Trilateral Commission have been particularly interested in discussing security problems, in this context, the Japanese have been reluctant to do so - at least in the early stages of the operation, and so nothing substantial has been done along this line.[25]

When queried by me as to the role the Trilateral Commission could play in the national security of the United States, Gerard Smith replied:

> ...it (the T.C.) can generate an understanding in the interested public of the great need that the United

> States has for the close cooperation of Japan and Western Europe and Canada - and conversely the great need that those regions have for the cooperation of the United States.[26]

The October war in the Mideast stirred some feelings within the T.C. for addressing questions of security in the trilateral arrangement. And certainly, when Secretary Kissinger's Business Week interview on the possible use of military force in the Mideast[27] became common knowledge, the security question must have gained new prominence. The Energy Task Force of the T.C. in its Part II report alluded to the dangers to the security of the Mideast area; however, the only intra-trilateral security items mentioned were: 1) The newly acquired wealth of the OPEC countries may serve as an invitation to subversion, revolution or intervention from outside. These countries may see a benefit to their security in the assurance of Western interest and in the presence of Western forces in the area. 2) The acquisition of American or European arms for the fulfillment of plans for national defense, has obvious economic and political advantages; however, they should not obscure the dangers of providing an encouragement to militarism. 3) The Task Force mentioned that

> the danger of the spread of nuclear weapons cannot be overlooked.[28]

4) The Task Force recommended that the suppliers of arms to the Mideast establish some mechanism, possibly in the framework of the Atlantic Alliance, to consult, exchange information establish limits of competition -

> ...bearing in mind the desirability of eventual negotiation, including the Soviet Union, for a general agreement on arms deliveries and arms levels.[29]

The questions and problems relating to future security arrangements among the trilateral countries has not been the subject of a Task Force report, nor is one presently on the agenda of future Task Forces. Perhaps

keeping the T.C. work centered on economic problems, where the least basic general agreements can be handled, will be more beneficial for its perpetuity than getting into the areas of security, which poses problems which are not amenable to trilateral solution.

The T.C. has been successful in fulfilling its purpose, and this has certainly been due, at least in part, to the fact that being a private institution it can avoid the governmental bureacracy and associated "red tape". How the efforts and Task Force reports of the T.C. are introduced to responsible government officials in the form of recommendations no doubt varies by countries. I have shown examples of how it has been done in the United States - at least in the instance of energy problems. When I asked George Franklin, the North American Secretary, how the T.C.'s work has influenced other governments, he basically replied that although it is always hard to tell what influence a private organization has on governments, some of the Commission's ideas have been taken up by various governments.[30]

It was interesting to note in a memorandum I received from Gerard Smith, North American Chairman of the Trilateral Commission, dated January 26, 1975 that the Trilateral Commission's Executive Committee met with President Ford and Secretary Kissinger in Early December 1974. Mr. Smith states in the memo:

> We have reason to believe that our emphasis on the complementary - and not conflicting - character of the U.S. and French positions had some bearing on the outcome of Ford-Giscard meeting in Martinique.[31]

The Agenda for future task forces is full. Also, David Rockefeller, founder of the T.C. appears to be living up to his belief that -

> Private citizens are often able to act with greater flexibility than governments in the search for new and better forms of international cooperation.[32]

as evidenced by the following article in the January 17th edition of the Washington Post:.

> Chase Manhattan Bank Chairman David Rockefeller, whom the Soviets once dubbed' the number one representative of the American business world' leaves today for a two-week trip to the Middle East. He plans to visit a dozen countries, including the major oil producers.
>
> As one of his many hats, the Vice President's brother wears that of founder of the Trilateral Commission, a kind of brain trust to work on world problems. The commission has called for a new bank for fund recycling with equal amounts of capital pledged by oil producers and consumers to assist needy developing countries.[33]

CHAPTER III

FOOTNOTES

1. The Washington Post, October 24, 1973.

2. Letter from Mr. George Franklin, Secretary of the Trilateral Commission, dated 15 October 1974.

3. The Bilderberg Group is a group of influential personages from Western Europe and the United States which was formed approximately 20 years ago by Prince Bernhard (husband of Queen Juliana). They meet as an informal discussion group about twice a year in Europe or the United States. Topics for discussion have been mainly Political, Security and Economic in nature.

4. Letter from George Franklin, 15 October 1974.

5. Letter from Gerard Smith, North American Director of the Trilateral Commission, dated October 1, 1974.

6. Brzezenski, Zbigniew; The Fragile Blossom, Harper & Row, New York, 1972. p. 141.

7. Brzezenski; "The Balance of Power Delusion"; Foreign Policy, Summer 1972. p. 57.

8. Ibid. p. 59.

9. Owen, Henry; The Next Phase in Foreign Policy; The Brookings Institution; Washington, D.C. 1973. p. 330.

10. Childs, Marquis; "Building Worldwide Economic Bridges"; The Washington Post, June 26, 1974.

11. The Brookings Bulletin, Winter, 1973. p. 3.

12. The Economist, May 12, 1973.

13. Organizational information received from Zbigniew Brzezenski under cover of his letter of 24 September 1974.

14. This "overview" project is to focus on the needs for both a new political framework and novel economic arrangements.

15. Plans call for a major study of the future of modern democratic systems of the trilateral world. Attention is to be given to the danger of erosion of core political beliefs and institutions, and to the effects of economic growth, the mass media, and increasing education and political participation.

16. This group consists of Professor Samuel P. Huntington of Harvard University; Professor Michael Crazier, University of Paris; and Professor Joji Watanuki, of the Institute of International Relations at Sophia University, Tokyo.

17. Trialogue No. 4; published by the Trilateral Commission, New York, February-March 1974. p. 3.

18. Letter from Brzezenski of 24 September 1974.

19. The Triangle Papers; The Trilateral Commission; New York 1973. Numbers 1 thru 6.

20. Time magazine, August 12, 1974, p. 70.

21. The Washington Post, November 15, 1974. p. A1.

22. Congressional Record, 93rd Congress, Vol 120, No. 179, December 19, 1974; p. S.22421.

23. Washington Post, October 24, 1973

24. Expressed by Gerard Smith at a meeting of the North American Committee in New York, October 15, 16, 1973. Trialogue #2, November 1973. p. 5.

25. Letter from Edwin O. Reischauer, September 27, 1974.

26. Letter from Gerard Smith, dated October 1, 1974.

27. Business Week, January 6, 1975.

28. Triangle Papers: 6, p. 31.

29. Ibid.

30. Letter from George S. Franklin, dated November 1, 1974.

31. Memorandum from Gerard Smith, January 26, 1975.

32. Spoken at the first meeting of the North American Committee in New York, October 15, 16, 1973, Trialogue #2. p. 5.

33. Washington Post, January 17, 1975, p. D7.

CHAPTER IV

CONCLUSIONS AND A PROPOSAL

> The structure that emerged in the immediate postwar period was essentially geared to military defense. Some of the difficulties that emerged in the 60's and 70's as a result of the growth of European unity and the emergence of Japan, were that the military organization and the political and economic organization had grown out of phase with each other. It has proved difficult to bring them back into phase by purely military arrangements...now the problem of how the advanced industrialized nations can give effect to the realities of interdependence is one of the most serious problems of our time.
>
> - Secretary Kissinger [1]

In facing the international realities of today and the challenges of the future it appears as if the United States is at the apex of two critical triangles: one being the USSR, United States and China where the crucial issues are disarmament, weapons control, conflict control and detente. The other, the Japanese, North America, Western Europe triangle where the issues are strength in unity by the economic superpowers of the world in facing the global problems of economic balances of power, interdependence, mutual security, energy, the developing world and intermonetary reform.

The foreign policy of the United States during the last 15-20 years has concentrated on the former triangle to such a degree that the latter one has suffered from inattention.

Along with the new realities of today comes general acceptance that maintaining and increasing cohesion among the countries of North America,

Japan and Western Europe is of critical importance.

Outside the Communist world is where the power and influence are, the economic strength that forms the present or potential base for military power. International interaction has developed furthest among the advanced countries of North America, Western Europe and Japan. All three of these regions have enormous common interests, which the Trilateral Commission has nourished during the coordinated task force efforts at seeking solutions to problems confronting the trilateral regions.

Bitter division or disillusion among these countries could significantly affect the international system on which our security, political and economic goals depend.

The U.S. has during the last few years pursued cohesion with these countries bilaterally and regionally. Multilateral efforts, where cohesion among all of these key countries is pursued, are rare. And when proposed by Secretary Kissinger's "Year of Europe" speech, was received with little official enthusiasm. The key West European countries show little determination to share in our efforts to ensure a full and effective relationship with Japan. And, despite a large network of international institutions there appears to be none ideally suited to a fully effective mulitilateral approach to building future cohesiveness of this group of major powers.

The U.S. in its penchant for bilateral associations in the past with the Soviet Union, China and Mideast countries, coupled with the "Nixon Shocks" of 1971 and the secret, shuttle diplomacy of Dr. Kissinger associated with this foreign policy modus operandi--have caused the recent splurge of official trilateral efforts to be received with only a modicum

of enthusiasm.

The diplomatic facts of life have no doubt proven the necessity of the U.S. to deal with the Soviet Union, China and certain Mideast countries on a bilateral basis. And considerable success--at least in putting out "fires"-- has been achieved. However, the consultation with America's allies, and seeking their responses to various diplomatic moves (which, in fact, affect them) has been woefully lacking.

The economic realities of today are definitely on the "front-burner" in international relations. The global economy of today has made economics political. If Europe and Japan, for example, refused to cooperate in trade and monetary reform, such reform would be impossible to achieve; many countries, including the United States could suffer economic damage. The U.S. has spawned and nourished a plethora of leaders who have considerable expertise in defense and security areas of international diplomacy. However, the core of leaders with a new sense of the global economic process are either not available or not being effectively utilized. Because international economic problems lend themselves less well to ad hoc, short-term, or summit intervention--it becomes apparent there is a need for improved, continuous, ongoing institutional problem-solving mechanisms to address the kinds of international problems which exist today in a world of perceived decreasingly tense "superpower" relations, referred to as detente.

The alternatives to a cooperative trilateral relationship of North America, Japan and Western Europe are unhealthy. Probabilities excluded, should Japan and Western Europe be moved by growing alienation to the United States to rely increasingly on national means to assure security--

which in this day means the possession and capability to use nuclear weapons--world stability would no doubt be in jeopardy. A Western Europe stategic deterrent without a united Western European government would raise problems about the Federal Republic of Germany's association. And a nuclear armed FRG would exacerbate European fears of a resurgent Germany military power.

Much of the unprecedented economic expansion of Japan and Western Europe was due to favorable relationships with the United States. Not the least of which was the "security umbrella" provided by the United States. This situation prevails today, and has, in the final analysis provided the linkage which has held the relationships with the U.S. together. If the United States were to rescind upon her security commitments to Western Europe and Japan - tacitly or blatantly, true trilateral cohesion appears unlikely. The possibility that the United States will "retrench" and not provide a credible security commitment to the regions of Western Europe and Japan, is becoming more acute due to U.S. domestic problems and the cries of those in the U.S. calling for unilateral reduction in U.S. armed forces, and cessation of U.S. overseas commitments. Our allies in Europe and Japan are no doubt watching this phenomenen with trepidation.

The nature of our alliances with Western Europe and Japan has been one of security. The question as to whether the threat that produced these alliances has ended or only receded is certainly being asked in all countries concerned. There is definite unanimity in the answer: no one knows for certain! That being the case, it would appear imprudent to remove the U.S. security umbrella until another alternative which can be accepted and agreed upon by all is brought to fruition.

Given the foregoing conclusions, what is needed today to enhance cohesiveness among the trilateral countries (who control 60 percent of the world's GNP) are institutional realignments with commensurate political dedication to develop integrated policies to fulfill mutual goals. The economic field is where such togetherness is most likely to take form. The Trilateral Commission, it seems to me, has proven a worthy prototype to enhanced cohesiveness among the economic superpowers. But the Trilateral Commission is a private, non-government organization. And although it could be considered to be para-political by some, it can only reflect the private consensus. The following proposal is a recommendation for building a more permanent, official trilateral structure at the governmental level.

A PROPOSAL

> One interesting feature of our recent discussions with both the Europeans and the Japanese has been the emphasis on the need for economic coordination....How you in fact coordinate policies is yet an unsolved problem; but it must be solved. Otherwise, one will have a succession of beggar-thy-neighbor policies and countries trying to take a free ride on the actions of their partners.
>
> - Secretary Kissinger[2]

To effect a truly coordinated response to the challenges facing the trilateral countries in the future, which are global in essence, I propose the formation of a Trilateral Advisory Commission with, North America (U.S. and Canada) and the Western European countries as signatories. Within this new commission, a framework could evolve which could provide trilateral responses--based on high-level government-to-government consultation and advice--to the major issues of the day. These issues are

basically economic and interdependent in character; however, presently existing security alliances and their respective shortcomings could be better addressed within a truly cooperative Trilateral atmosphere of coordination and cooperation. Increased cohesion within the triangle could provide the broad-based leadership necessary to meet the new world order in concert rather than independently.

A new momentum could be achieved, with political and security, as well as economic advantage to all countries in the triangle. Whether this trilateral organization could evolve into a Trilateral Alliance is moot. The recent efforts to include Japan into the new "Atlantic Charter" proposed by Secretary Kissinger in 1973 were quietly disregarded by both Western Europe and Japan. However, future trilateral coordination and cooperation could possibly pave the way towards a true "Alliance" of North America, Japan and Western Europe. To propose a Trilateral Alliance at this point in time I believe to be premature.

FORMALIZATION AND PROPOSED RESOLUTIONS

In forming and formalizing such an unprecedented organization as the Trilateral Advisory Commission, I consider it necessary to have the respective heads of state jointly and publicly announce its formation. The mechanics of handling such questions as commission membership, committee formation, meeting locations, etc. should be done at the ministerial level. The Commission should be headed by three highly respected statesmen with rank of Ambassador.

The Tri-regional Declaration should include, but not be limited to, the following proposed resolutions:

- Resolve to ensure frank and fruitful political relationships

based on mutual trust and on the concept that their countries cannot over time gain at the expense of either, but can achieve their goals only in an atmosphere of cooperation and coordination.

- Resolve to join together to create an equitable durable and flexible world economic system, and to that end: to reform the international monetary system; to negotiate a substantial reduction in barriers to trade and free flows of capital and goods.

- Resolve to take individual concerted efforts to ensure an adequate supply of energy by conservation methods, and to take coordinated efforts to develop cooperation in research and development concerning new forms of energy.

- Resolve to develop an agreement for sharing oil should acute shortages occur.

- Resolve to work closely together with the developing nations, for their benefit as well as the tri-region's.

- Resolve to continue efforts towards ensuring global peace and stability, realizing the importance to this of cohesiveness among them.

- Resolve to maintain existing security ties and to make coordinated efforts to ensure against undue burdens or risks on the part of any of them.

- Resolve to state their intention of consulting and exchanging information before undertaking unilateral or bilateral political moves with countries outside the triad--if such moves could have an effect on other partners in the triad, or could be interpreted as having an effect.

The countries in the Trilateral regions are capable, it seems to me, of fulfilling these resolutions. However, I would be less than truthful to say efforts toward formation of such a Commission would be devoid of impediments. The inclusion of Japan brings special problems of language and culture. Few Occidentals have mastered Japanese; many Europeans feel that the evolution of Japan's new role in the world is not their problem. Cooperation with Asians has always been more difficult than with Europeans.

The Europeans may feel concerned more about European Unity than unity on a tri-region basis.

The United States might yield to the wishes of the neo-isolationists and decline to get further involved in arrangements "international" in character.

Peace and prosperity are at issue here. The economic superpowers of North America, Japan and Western Europe can further future world peace and prosperity if they work in concert. Any other alternative, it seems to me, could result in not only economic confrontation but eventually military confrontation.

CHAPTER IV

FOOTNOTES

1. Newsweek interview with Secretary of State Kissinger. Newsweek magazine. December 30, 1974, P. 31.

2. Business Week interview with Secretary of State Kissinger. Washington Post, January 3, 1975. P. A17.

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2. Letter (with enclosures) from Z. Brzezenski to CDR Fogarty dated September 24, 1974.

3. Letter from George S. Franklin to CDR Fogarty, dated September 27, 1974.

4. Letter from Edwin O. Reischauer to CDR Fogarty dated September 27, 1974.

5. Letter from Gerard C. Smith to CDR Fogarty dated October 1, 1974.

6. Letter from George S. Franklin to CDR Fogarty dated October 15, 1974.

7. Letter from Gerard C. Smith to CDR Fogarty, dated January 21, 1975.

8. Memorandum from Gerard C. Smith dated January 26, 1975.

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APPENDIX A

(As of November 1, 1974)

The Trilateral Commission

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• **Executive Committee**

APPENDIX B

STATEMENT OF PURPOSES

THE TRILATERAL COMMISSION

The Executive Committee of the Trilateral Commission, composed of private individuals coming from Japan, West Europe, and North America, met for the first time in Tokyo on October 21-23 and agreed on the following statement:

I.

(1) Growing interdependence is a fact of life of the contemporary world. It transcends and influences national systems. It requires new and more intensive forms of international cooperation to realize its benefits and to counteract economic and political nationalism.

(2) This interdependence, especially among Japan, Western Europe, and North America, generates new problems and frictions which endanger not only their well-being but affect adversely the other regions.

(3) Although the risks of nuclear confrontation have diminished, world peace and security are still to be given a lasting basis. New problems have also emerged to heighten the vulnerability of our planet. Humanity is faced with serious risks to the global environment. At the same time shortages in world resources could breed new rivalries, and widening disparities in mankind's economic condition are a threat to world stability and an affront to social justice.

(4) While it is important to develop greater cooperation among all the countries of the world, Japan, Western Europe, and North America, in view

of their great weight in the world economy and their massive relations with one another, bear a special responsibility for developing effective cooperation, both in their own interests and in those of the rest of the world. They share a number of problems which, if not solved, could cause difficulties for all. They must make concerted efforts to deal with the challenges of interdependence they cannot manage separately. The aim must be effective cooperation beneficial to all countries, whatever their political systems or stage of development.

II.

To be effective in meeting common problems, Japan, Western Europe, and North America will have to:

(1) consult and cooperate more closely, on the basis of equality, to develop and carry out coordinated policies on matters affecting their common interests;

(2) refrain from unilateral actions incompatible with their interdependence and from actions detrimental to other regions;

(3) take advantage of existing international and regional organizations and further enhance their role.

Trilateral cooperation will be facilitated as greater unity is achieved in Europe through the progress of the European Community and as Europe and Japan develop closer relations.

III.

It will be the purpose of the Trilateral Commission to generate the will to respond in common to the opportunities and challenges that we confront and to assume the responsibilities that we face.

The Commission will seek to promote among Japanese, West Europeans and North

Americans the habit of working together on problems of mutual concern, to seek to obtain a shared understanding of these complex problems, and to devise and disseminate proposals of general benefit.

The cooperation we seek involves a sustained process of consultation and mutual education, with our countries coming closer together to meet common needs. To promote such cooperation, the Commission will undertake an extensive program of trilateral policy studies, and will cooperate with existing private institutions as appropriate.

The Commission hopes to play a creative role as a channel of free exchange of opinions with other countries and regions. Further progress of the developing countries and greater improvement of East-West relations will be a major concern.

APPENDIX C

TASK FORCE REPORTS

1. Towards A Renovated World Monetary System -

The Rapporteurs: Motoo Kaji (Japan) - Professor of American Studies, Tokyo University. Has studied in the United States and recently completed a year of research at Yale University.

Richard N. Cooper (North America) - Frank Altschul Professor of International Economics, Yale University. He has written extensively on economic matters.

Claudid Segré (Europe) - with the Compagnie Européenne de Placements. PhD at Yale University.

Meetings: During 1973 in New York, Washington, Tokyo, Anchorage, Sicily and Paris.

Principal Consultants - (in Alphabetical order)

Raymond Barre - Professor and former Commissioner of the EEC, Paris.
C. Fred Bergsten - Senior Fellow, The Brooking's Institution.
Zbigniew Brzezenski - Director, The Trilateral Commission.
Sir Alex Cairncross - Master, St. Peter's College, Oxford University.
Herbert Giersch - Director, Weltwirtschaftlicher Institut, Kiel University.
David L. Grove - Vice President and Chief Economist, IBM.
Tadishi Iino - Counselor, Mitsui Bank.
Yues-André Istel - Kuhn, Loeb & Company.
Yusuke Kashiwagi - Vice President, Bank of Tokyo.
A. Lamfalussy - Chairman, Steering Committee, Banque de Bruxelles.
Harvo Maekawa - Deputy President, Export/Import Bank of Japan.
Saburo Okita - President, Overseas Economic Cooperation Fund, Tokyo.
Giuseppe Petrilli - Professor and President of IRI.
Grant Reuber - Dean, Social Sciences, University of West Ontario.
M.E. Streit - Professor, University of Mannheim.
Pierre Uri - Professor, The Atlantic Institute, Paris.
Takeshi Watanabe - Japanese Chairman, The Trilateral Commission.

Summary of The Report - It was the view of the Monetary Task Force monetary anarchy must not be allowed to undermine the confidence in prosperity built up over two decades, nor to produce a new period of restrictions and mutual hostility from entrenched national positions. They recommended that governments should proceed with dispatch to renovate the international monetary system.

The longer range reforms should include:

(1) Improvement of the balance of payments adjustment process, with provision for smaller and prompter changes in exchange rates.

(2) Confirmation of the central role as primary reserves of an international fiduciary issue, renamed bancor, to satisfy world liquidity needs and gradually to supplant other forms of reserve assets.

(3) Creation of a new facility, to be lodged in the IMF (International Monetary Fund), for emergency short-term lending to counter speculation and other disruptive capital movements.

(4) Consolidation of foreign exchange reserves, initially on an optional basis, into a new account at the IMF.

(5) Establishment of new and effective consultative machinery, within the IMF, to oversee the functioning of the renovated international monetary system and to encourage the coordination and consistency of domestic economic policies.

The group also recommended certain interim steps to help restore order and stability to the international monetary system:

(1) Commitment by governments to coordinated intervention in exchange markets if necessary to prevent erratic movements in exchange rates.

(2) Enlarge and multilateralize short-term money lending facilities to offset large speculative movements of funds.

(3) Consolidate, on a basis that can later be taken over by the IMF, the excessive official holdings of dollars and other foreign exchange.

(4) Indicate the willingness of governments both to support the Eurodollar market and to subject it to close surveillance.

(5) Sell gold, on a cooperative and coordinated basis, into private markets, with gains to be transferred to international financial institutions for development assistance.

2. The Crisis of International Cooperation -

The Rapporteurs - Francois Duchene (Europe) - Director of the International Institute for Strategic Studies in London, and author of numerous articles on international affairs.

Kinhide Mushakoji (Japan) - Director of the Instiure of International Relations for Advanced Studies on Peace and Development in Asia at Sophia University.

Henry D. Owen (North America) - Director of the Foreign Policy Studies Program at the Brookings Institution, formerly Chairman of the Policy Planning Council, U.S. Department of State.

Meetings - In Washington, Tokyo and Brussels during 1973.

Principal Consultants

Graham Allison - Professor of Politics, Harvard University.
Georges Berthoin - Former representative of the EEC to the United Kingdom.
Robert R. Bowie - Professor of International Affairs, Harvard University.
Z. Brzezenski - Director, The Trilateral Commission.
Peter Dobell - Director, Parliamentary Center for Foreign Affairs and Foreign Trade, Ottawa.

George S. Franklin - North American Secretary, Trilateral Commission.
Wolfgang Hager - Director of Studies, European Community Institute for University Studies.
Kazushige Hirawasa - Former editor, The Japan Times.
Norman Jacobs - Editor-in-Chief, Foreign Policy Association.
Karl Kaiser - Director, German Institute for International Affairs.
Antonie Knoppers - President, Merck and Company.
Max Kohnstamm - European Chairman, The Trilateral Commission.
Anthony Lake - Executive Director, International Voluntary Services.
Cesare Merlini - Director, Italian Institute of International Affairs.
Kiichi Miyazawa - Former Minister of Japanese Trade and Industry.
Yonosuke Nagai - Professor, Tokyo Institute of Technology.
John Pinder - Director, Political and Economic Planning Institute, London.
J. Robert Schaetzel - Former U.S. Ambassador to the EEC.
Isaac Shapiro - President, Japan Society.
Gerard C. Smith - North American Chairman, Trilateral Commission.
Yasuo Takeyama - Chief Editorial Writer, Nihon Keizai Shimbum.
Pierre Uri - Professor, Atlantic Institute, Paris.
Jiro Ushio - President, Ushio Electric, Inc.
James Woolsey - Staff Member, U.S. Senate Armed Services Committee.
Takeshi Watamabe - Japanese Chairman, Trilateral Commission.
Tadashi Yamamoto - Japanese Secretary, Trilateral Commission.

Summary of the Report - The report begins with a statement:

> Growing interdependence and the inadequacy of present forms of cooperation are the principal features of the contemporary international order.

The report analyzes some of the current international realities:

(1) Rapid economic growth and the emergence of new means of communications have thrust together hitherto isolated parts of the world, resulting in intensified strains both within and among nations.

(2) International interaction has developed furthest among the advanced industrialised areas of North America, Western Europe and Japan; unless these areas cooperate peace cannot be tackled effectively.

(3) Trilateral cooperation has reached a crossroads on a number of fronts; security factors resulting from detente have encouraged unilateralism in U.S. foreign policy that is frequently detrimental to Japanese and West European interests; the economic balance of power has shifted against the U.S. as Western Europe and Japan have experienced growth, while

the U.S. finds itself less willing to shoulder past burdens and is subject to increased domestic protectionist pressures; social and political changes have led to a new self-assertiveness based on the view that all problems can be solved and it is intolerable if they are not, a view conducive to greater competition both within and among countries; general interdependence has increased enormously in such areas as multinational business, air travel, and the vulnerability of all advanced economies to inflation and changes in the supply of vital resources; finally welfare considerations have shifted the preoccupation with growth to an end in itself to an awareness of the need for greater governmental direction in shaping growth for social, environmental, and other requirements, thus giving rise to disparities in the policies and priorities of governments.

(4) Cooperation between rich and poor remains woefully inadequate.

In view of the aforementioned "world" problems, the task force stresses the attention of the countries to the following needs:

(1) The need for new forms of common management and structures of decision-making in order to cope with the requirements of a common future; also there is a need for changes in the outlook and habits of humanity for which little has prepared it.

(2) Governments must be held accountable to one another for their actions; at a minimum, they should not be allowed to get away with unilateral or bilateral faits accomplis that are irreversible.

(3) An urgent need for an informal public process of collective self-education to generate the join perspectives from which joint policies can spring.

(4) Ultimately, the final aim must be collective action to

formalise consultation among the trilateral areas; perhaps an international Advisory Commission headed by perhaps three highly respected statesmen.

3. A Turning Point In North-South Economic Relations - (Task Force on Relations With Developing Countries)

The Rapporteurs - Richard N. Gardner (North America) - Professor of Law and International Organization, Columbia University. Has written several books and articles on law, foreign policy, and economic development.

Saburo Okita (Japan) - President, Overseas Economic Cooperation Fund, Tokyo. Has written books on economics.

B. J. Udink - Former Minister for Aid to the Developing Countries, The Netherlands.

Meetings: In 1973 and 1974 in Washington, Amsterdam, New York, and Brussels.

Principal Consultants:

David Aaron - Foreign Policy Advisor to U.S. Senator Mondale.
Yasushi Akashi - Senior officer, Inter-Agency Affairs, U.N.
Abdoul Barry - Regional Director for West Africa, Canadian University Service Overseas, Upper Volta.
Robert R. Bowie - Professor of International Affairs, Harvard University.
Zbigniew Brzezenski - Director, The Trilateral Commission
William D. Clark - Director, External Relations, International Bank for Reconstruction and Development.
Gerald L. Curtis - Director, East Asian Institute, Columbia University.
William D. Dale - Deputy Managing Director, IMF.
Pathe Diagne - African Studies Center, De Pauw University.
El-Sayed Dohaia - International Economic Relations Centre, Institute for National Planning, Cairo.
George S. Franklin - North American Secretary, Trilateral Commission.
Gordon Goundrey - Professor of Economics, Memorial University, Newfoundland.
Ravi Gulhati - Director, Development Economics Department, International Bank for Reconstruction and Development.
Mahbub-Ul Haq - Director Policy Planning Department, International Bank for Reconstruction and Development.

Michael Hoffman - Director International Relations Department, International Bank for Reconstruction and Development.
Richard Holbrooke - Managing Editor, Foreign Policy magazine.
Lady Barbara Ward Jackson - Former Professor of International Economic Development, Columbia Univ.
Neville Kanakaratne - Ambassador of Sri Lanka to the United States.
Lane Kirkland - Secretary Treasurer, AFL-CIO.
Max Kohnstamm - European Chairman, Trilateral Commission.
Robert S. McNamara - President International Bank for Reconstruction and Development.
Maria Teresa Moraes - Brazilian lawyer and journalist.
Goran Ohlin - Professor of Economics, University of Stockholm.
Raimi Ola Ojikutu - Nigerian human biologist and anthropologist.
Akira Onishi - Project Manager, International Development Center of Japan.
Samuel L. Parmar - Professor of Economics, Allahabad University, Allahabad, India.
Felix Peña - Institution for the Integration of Latin America, Buenos Aires, Argentina.
Gustav Ranis - Director, Economic Growth Center, Yale University.
Krishna Roy - Advisor, Centro de Estudios de Poblacion, Lima, Peru.
Phillips Ruopp - Director, International Affairs, Charles F. Kettering Foundation.
Gerard C. Smith - North American Chairman, Trilateral Committee.
Ernest Sturc - Director, Exchange and Trade Relations, IMF.
Wouter Tims - Director, Economic Analysis and Projection Department, International Bank for Reconstruction and Development.
Jan Tinbergen - Professor, Netherlands School of Economics, Rotterdam.
Constantine V. Vaitsos - Advisor to the Board, Acuerdo de Cartegena, Lima, Peru.
Cyrus R. Vance - Partner, Simpson, Thatcher and Bartlett.
Takeshi Watanabe - Japanese Chairman, Trilateral Committee.
H. Johannes Witteveen - Managing Director, IMF.
Bernard Wood - Executive Secretary, Canadian Group, Trilateral Commission.
Montague Yudelman - Director, Agriculture and Rural Development, International Bank for Reconstruction and Development.
Ricardo Zuniga - Visiting Assistant Professor of Sociology, Queens College, City University of New York.

Summary of The Report

The report begins with the statement:

The time has come for new policies and new actions by the governments of the Trilateral region in their relations with developing countries. There is a crisis in North-South relations, requiring responses from the Trilateral governments.

The task force lists two basic kinds of responses to this crisis:

(1) A restructuring of North-South economic relations is needed. This restructuring should consider the growing interdependence, abolishing "sphere of influence". They also believe efforts should be focused on the poorest segment of the LDC's.

(2) The need to deal with the plight of the nearly one billion people in some 30 resource-poor developing countries whose governments cannot pay the increased costs of oil, food, fertilizer and other products. At least $3 billion in extra concessional aid must be found for these countries, requiring an extraordinary act of cooperation between the countries of the Trilateral region and the oil exporting countries of the OPEC. A reasonable split would be $1.5 billion by the Trilateral world and $1.5 billion by the OPEC countries. Contributions to this effort could be made through bilateral or multi-lateral channels and could take the form of cash, concessional sales of food, fertilizer and oil, and the cancellation or postponement of debt repayment. The Soviet Union should be invited to participate in this emergency assistance effort in the light of its considerable economic capabilities and the fact that it has benefited on the whole from the recent increase in raw material prices.

4. Directions For World Trade In The Nineteen-Seventies (Task Force On Trade)

The Rapporteurs - Guido Colonna Di Paliano (Europe) - Former member of the European Community Commission. Currently President of an Italian department store chain.

Philip H. Trezise (North America) - Former Assistant Secretary of State for Economic Affairs. Currently a Senior Fellow at Brookings Institution.

Nobuhiko Ushiba (Japan) - Former Ambassador of Japan to the United States.

Meetings - In 1973 and 1974 in Washington, Tokyo, Chicago, Bonn, London, Toronto.

Principal Consultants:

Doris Anderson - Editor, Chatelaine Magazine.
Shogoro Ariga - Executive Managing Editors, Mitsui and Company.
Russell Bell - Research Director, Canadian Labor Congress.
Kurt Birrenbach - Member of the Bundestag.
Robert W. Bonner - Chairman, MacMillan Bloedel, Ltd.
Zbigniew Brzezenski - Director, Trilateral Commission.
A.W. Clausen - President, Bank of America.
George C. Creber - President, George Weston, Ltd.
Emmett Debmon - Vice President and Editorial Director, Field Enterprise, Inc.
Peter C. Dobell - Director, Parliamentary Center for Foreign Affairs and Foreign Trade, Ottawa.
George S. Franklin - North American Secretary, Trilateral Commission.
Wolfgang Hager - European Secretary, Trilateral Commission.
Naoji Harada - Executive Director, Japan Foreign Trade Council.
Kenzo Henmi - Professor of Agricultural Economis, Tokyo University.
Alan Hockin - Executive Vice President, Toronto Dominion Bank.
J.K. Jamieson - Chairman, Exxon Corporation.
Edgar F. Kaiser - Chairman, Kaiser Industries Corp.
Karl Kaiser - Director Research Institute, German Society for Foreign Policy.
Lane Kirkland - Secretary-Treasurer, AFL-CIO.
Max Kohnstamm - European Chairman, Trilateral Commission.
H. Krüper - German Chemical-Paper-Ceramics Workers Union.
Tatsuzo Mitsukami - President, Japan Foreign Trade Council.
Kenneth D. Naden - President, National Council of Farmer Cooperatives.
Arne Nielsen - President and General Manager, Mobil Oil, Canada.
Yoshihisa Ojimi - Executive Vice President, Arabian Oil Company Ltd.
Lean-Luc Pepin - President, Interimco, Ltd.
John H. Perkins - President, Continental Illinois National Bank and Trust Company.
John Pinder - Director, Political and Economic Planning Institute, London.
Charles W. Robinson - President, Marcona Corporation.
William M. Roth - Roth Properties.
Albert Schunk - German Metal Workers Union.
Gerard C. Smith - North American Chairman, Trilateral Commission.
Hans Günther Sohl - President, Federal Union of German Industry.
Alexandre Stackhovitch - Chief Advisor, Foreign Economic Policy, Commission of the European Community.
Fukutaro Watanabe - Professor of Economics, Gakushuin University.
Takeshi Watanabe - Japanese Chairman, The Trilateral Commission.
Tadashi Yamamoto - Japanese Secretary, The Trilateral Commission.

Summary of the Report - The report begins with a statement:

> This is a time of troubles, when inflation, energy crisis, and unprecedented balance of payments problems afflict nearly all nations. The structure of international economic cooperation has already been weakened.

The report centered on the following topics:

(1) A major multilateral trade negotiation is a hopeful prospect.

(2) A major reduction in industrial tariffs is needed.

(3) For agricultural trade, there is a need to reach a bargain which gives the efficient producers greater access to commercial markets abroad and gives importing nations adequate assurance as to future supplies of key commodities.

(4) Non-tariff distortions must be dealt with by revising and tightening international rules of conduct, rather than by straight trade-offs. Since few third world countries can be expected to accept stronger GATT rules, many non-tariff agreements will have to be made on a conditional most-favored nation basis.

(5) Restrictions on exports, must be put under rule. Advance consultation and the principle of sharing short supplies should be written into GATT.

(6) For safeguards against disruptive imports can best be answered by introducing into the GATT a mediation procedure, based on specific guidelines. This would leave open the possibility of emergency protection, but it would put restraints on arbitrary or unfounded national actions.

5. Energy: The Imperative For A Trilateral Approach (Task Force Report on the Political and International Implications of the Energy Crisis)

The Rapporteurs - John C. Campbell (North America) - Senior Research Fellow, Council on Foreign Relations. Formerly on the Policy Planning Council, U.S. Department of State.

Guy De Carmov (North America) - Professor, European Institute of Business Administration, Fountainbleau.

Shinichi Kondo (Japan) - Former Ambassador of Japan to Canada. Currently with the Mitsubishi Corporation.

Meetings - During 1973 and 1974 in Washington, New York, Tokyo, Brussels, Milan, Paris.

Principal Consultants:

Abigniew Brzezenski - Director, the Trilateral Commission.
George S. Franklin - North American Secretary, Trilateral Commission.
Wolfgang Hager - European Secretary, Trilateral Commission.
Rokuro Ishikawa - Executive Vice President, Kajima Corporation.
Paul F. Langer - Senior Social Scientist, The RAND Corporation.
Walter J. Levy - President, W.J. Levy Consultants Corporation, Inc.
Kiichi Miyazawa - Member of the Diet; former Minister of International Trade and Industry.
Sohei Nakayama - Counsellor, Industrial Bank of Japan.
M.V. Posner - Director of Studies, Pembroke College, Cambridge, University.
Ronald Ritchie - Chairman, Institute for Research on Public Policy, Montreal.
Kiichi Saeki - President, Nomura Research, Institute of Technology and Economics.
Masao Sakisaka - President, Institute of Energy Economics, Japan.
Dieter Schmitt - Energy Institute of Cologne, University of Cologne.
Pierre Uri - Atlantic Institute for International Affairs, Paris.
Carroll L. Wilson - Professor of Management, Alfred P. Sloan School of Management, Mass. Institute of Technology.
Joseph A. Yager - The Brookings Instution.

Summary of The Report

The task force begins the report with a statement:

> ...the era of cheap and plentiful oil is over. The industrial countries face major problems of adjustment to uncertain energy supplies, high costs, and new requirements in political relations.

Before listing their recommendations, the Task Force mentions the fear of politicization of international economic relations due to the energy crisis. They also warn of the possibility of destructive competition among the three regions, and because the U.S. is the least energy dependent,

the U.S. must avoid a display of unconcern for Europe and Japan.

Their recommendations are:

(1) Conservation and efficiency of energy use. And joint research on generally agreed targets.

(2) Assure safe and adequate supplies by trilateral coordinated policies to maximize bargaining power with the OPEC countries, and to develop alternate sources.

(3) Emergency sharing.

(4) Finance. Increase exports to OPEC countries, recycling the OPEC balance of payments surplus funds to the countries with incurred deficits, and providing help to those threatened with collapse.

(5) Share technology and joint R & D.

(6) Relations with OPEC countries. A greater accomodation of approaches to such questions as the Arab-Israeli conflict or arms sales to Persian Gu. : states which would contribute to harmonizing oil policy with political and military objectives. The Middle East states should be encouraged to view their oil policies in the broader context of security and cooperation.

(7) Relations with the USSR and China: The Trilateral countries should explore the possibilities of obtaining increased energy supplies while avoiding any substantive dependence on these countries.

(8) Relations with the LDC'S. The developed countries should join in measures, to which the OPEC countries should also contribute, to help the LDC'S threatened with disaster by price increases.

(9) An energy agency, logically associated with the O.E.C.D. is required for consultation and coordination of policies.

6. Energy Task Force Part II -

The follow-on report, or Part II of the Energy Task Force is titled "Energy: A Strategy for International Action".

The Rapporteurs and Principal Consultants - Same as Part I, with the addition of the following:

Helene Carrere d' Encausse - National Foundation of the Political Sciences, Paris.
Kark Kaiser - Director of the Research Institute of the German Society for Foreign Policy.
Cesare Merlini - Director of the Italian Institute for International Affairs.
Peter R. Odell - Director of the Economics - Geography Institute, Erasmus University, Rotterdam.
Jean-Luc Pepin - President, Interimco, Ltd. Ottawa.
Eric C. Sievwright - President, E.C. Sievwright Associates Ltd., Toronto.
Takao Tomitate - Senior Economist, Japan Institute of Energy Economics.
Louis Turner - Research Specialist, The Royal Institute of International Affairs, London.

Meetings - During 1974 in Brussels, Paris, Bonn, Washington.

Summary of The Second Report - The report begins with the statement:

> The international energy crisis presents a range of challenges to the Trilateral countries. Their response has been weak and inadequate.

The report concentrates on three major problem areas:

(1) Relations with OPEC countries - the task force recommends a broad, positive approach to the oil exporters, without isolating the issue of price. The Trilateral Countries should seek common and reciprocal interests with the oil-exporters going far beyond oil. They suggest the Trilateral Commission set up an expert group to seek unofficial discussions with OPEC representatives on a whole range of relevant issues. The oil issue cannot be separated from the Arab-Israeli conflict. The task force emphasizes the need for an early settlement and for an agreed North

American-European-Japanese approach. Trilateral ideas on the general terms of settlement are not widely different, based on the principle of non-acquisition of territory by force and the right of all states to secure existence.

(2) The task force recommends the trilateral countries cooperate to maintain their financial health in the face of existing oil prices and to establish arrangements for sharing energy in any future emergency resulting from outoffs of Arab oil supplies. The task force applauded the effort of the Energy Coordinating Group for an emergency sharing plan.

(3) The task force recommended conservation measures among the trilateral countries. Specifically, an annual rate of increase in energy consumption over the next decase be held below 2 percent in North America, 3 percent in Europe, and 4 percent in Japan.

(4) They recommended intensifying secure energy supplies by greater production within the Trilateral Community from known reserves of fossil fuels. They also recommend that policy decisions on North Sea oil and gas development be taken on an European basis, and that Canada and the United States take Japanese and European needs into account in development of their own rich fossil fuel resources.

(5) For the longer term, the task force recommended they should anticipate the end of the hydrocarbon age by the year 2000. Therefore, cooperative energy research should start now.

The central thrust of the report is toward an agreed long-term energy strategy for the Trilateral Communities.